TUTE OF DEVELOPMENT STUDIES
LIBRARY

.54 .H9

2551

e returned on or before
ked below.

SHARING AND FIXED TENANCY SYSTEMS

BY

V. V. SAYANA, M.A., Ph.D.,

Lecturer in Agricultural Economics, University of Bombay

Author of Agrarian Problems of the Madras Province.

With a Foreword

by

Sir S. V. RAMAMURTY

MADRAS

THE BUSINESS WEEK PRESS,

173, LLOYD ROAD, MADRAS-14.

1949.

M. I. D. S. LIBRARY MADRAS

[Price Rs. 3/-

SOME QUOTATIONS:

The severest critics are always those who have either never attempted, or who have failed in original composition. —*Hazlitt.*

Princes and lords may flourish and may fade;
A breath can make them, as a breath has made;
But a bold peasantry, their country's pride,
When once destroyed, can never be supplied.

—*Goldsmith*

We may progress in science and in wealth, in knowledge and intellectual attainment, but useless is this, nay worse than useless, *mischievous*, if it widens the gulf between the rich and poor and make more impossible the Brotherhood of Man.

—*Annie Besant.*

If you pursue an evil with pleasure, the pleasure goes but the evil remains. If you pursue a good with pain, the pain goes but the good remains.

—*Cicero.*

(All Rights Reserved by the Author)

FOREWORD

An objective study of economic conditions in India is an urgent need at a time when various schemes of economic reconstruction are before the Government and the people. In the absence of such studies, decisions are apt to be made on the basis of slogans that came into being in a different political atmosphere. To-day, we need to re-examine and, perhaps, revise our previously held beliefs if we are not to plump for economic revolution, where economic reformation is adequate.

Dr. Sayana has done well to take up a factual study of land tenure systems. With the abolition of the Zamindari System, agrarian reforms will now be sought in the direction of modifying the relations of landlord and tenant. Dr. Sayana has taken care and pains in presenting the pros and cons in respect of crop-sharing, and fixed crop, and cash rents. He has shown that landlords can perform a useful function in supplementing the activities of tenants if the country is to maximise food production, which, more than the interests either of landlords or tenants, should be the criterion of present day agrarian policy.

I have no doubt that this monograph will be of value to the public in dealing with the agrarian problem.

Madras,
18th April, 1949

S. V. RAMAMURTHY.

PREFACE

Of the economic and social problems of Indian agriculture, tenancy is the most disquieting, perhaps next in importance only to the question of the agricultural proletariat. Indeed, of all the studies in the field of Agricultural Economics, the study of the relation of the farmer to the land appears to be of un-ending interest. Is it better for a farmer to own the farm he cultivates or to take it on lease or to work on it as a salaried or a wage-earner? If he takes it on lease, is it better to take it on share-tenancy or under fixed-rents system in kind or in cash? Is cash tenancy superior to share-tenancy? Questions like these are examined in this work.

Prof. T. N. Carver, like many others, tried to prove 'that cash tenancy is superior to share-tenancy as a general economic system'. Marshall too thought that the efficiency of farm-production would suffer under share-tenancy as compared with cash tenancy. Share-rents are looked upon with disfavour as against fixed-rents in countries of highly commercialised agriculture notably England, Germany and the Scandinavian countries, although share-tenancy is still a popular form of tenancy in the U.S.A., Italy and in the Asiatic countries. But in recent years, the opinion against share-tenancy seems to have assumed such proportions among the countries of Europe that the system of share-cropping has been prohibited in France (the cradle of share-tenancy and the land of the well-known *Metayage* system!) according to the Order of the 17th October 1945 embodying

the new farm tenancy regulations in France[1] for the purpose of increasing farm production. Such views are erroneously finding their echo among some economists and responsible persons here in India as found in recent economic discussions, research papers and in a few government reports. Some have gone to the extent of suggesting to prohibit share-tenancy altogether for raising the efficiency of agriculture and to ameliorate the tenancy situation in India. During the last one decade, generally speaking share-tenancy has been losing ground in favour of fixed-rents system in kind or cash. With the rise in prices and extension of the growth of commercial crops, cash rents are

1. *Note* :—The following are the provisions regarding regulation of leases contained in the order of the 17th October 1945 in France :—

All farm leases must be drawn up in writing, and, notwithstanding any clauses or customs to the contrary, must be for a minimum period of nine years. The rent is payable in kind or in cash and is based on the prices of the principal crop or crops produced locally or regionally (a maximum of four), selected by the departmental advisory committee for farm tenancy. The rent may not include, in addition to the amounts so fixed, any payment, contribution or service of any kind which is not expressly evaluated in the lease

Subletting of farms., transferance of leases, and *leases providing for share-cropping are prohibited. Any lease in existence providing for share cropping must be converted into a regular farm lease on the request of the landowner or share-cropper.* Opportunities for speculation, to the detriment of tenant farmers and young persons wishing to establish themselves as farmers, are thus reduced.

All farmers have in principle, the right to review their leases, and the lessor must give good and substantial reasons, the validity of which will be decided by a joint committee, in order to prevent renewal. However, a landowner who wishes to work the farm himself or have it worked by his wife, parents (or grand parents), children (or grand children), or by an agricultural co-operative, may regain possession of his property at any time that the lease is to be renewed. *Vide.* The International Labour Review, Montreal, Vol. LIII, Jan-June 1946, pp. 221-22.

increasingly becoming predominant displacing fixed-produce rents or share-rents. Untrammelled by any effective provisions of tenancy legislation in the ryotwari areas (with the exception of the Bombay Province), fixed-rents in kind or cash are found to have been screwed up to a high pitch thus leading to rack-renting and impoverishment of soils in many parts of the country.

And yet, no systematic researches are made so far to appraise the economic and social effects of the fixed and sharing tenancy systems by economists or Government or private bodies. It is submitted that this monograph is an attempt, on a small scale, to analyse the different aspects of the crop-sharing, the fixed-grain and the cash rents systems in an objective way. On the basis of the first-hand investigations made by the writer in some of the districts of the Madras Province, certain conclusions are arrived at. In short, it is found that there is nothing fundamentally wrong with the share-tenancy obtained in the ryotwari areas. It is true that the share-tenancy ruling in the non-ryotwari estates is somewhat worse than that of the ryotwari areas and we have justifiably to apportion the blame on the evils of the Zamindari system as a whole for it and not so much on the *batai* system by itself as a tenancy pattern. If *batai* is properly improved, it can be as good or as bad as any other form of tenancy. In fact, in view of the peculiar conditions in India there is no security or certainty of crops on vast areas barring a small portion in the country commanding good irrigation facilities. Hence, share-tenancy may prove more to the economic advantage of the tenant in India than any other form of fixed-tenancy in view of frequent failure of crops due to weather conditions and vagaries of rains, damages due to floods, crop-diseases, pests and insects. The same, in fact, may be equally true with reference to

any other country where the crops are not certain and farming is exposed to many risks. The fixed-rents are found relatively more severe in their incidence; they put tenants to heavy losses if the harvests are poor and, above all, fixed-tenancy encourages the ugliest phenomenon of absentee-landlordism. In short, tenure and tenancy constitute the most vital problems of institutional agricultural policy outranking perhaps every other problem in agriculture. If the dynamics of tenancy are to be properly appreciated, periodical investigations have to be made to restate and even to effect necessary adjustments in the tenancy pattern of the period in accordance with the changes in the economic, social and political relationships and institutions in the country. The inefficiency of agricultural production often attributed to share-tenancy either in the proprietory or in the ryotwari areas in India must be clearly recognised as resulting from the evils of the institution of tenancy itself and, in particular, to short term leases at the one end and, at the other, from the poverty of the tenant class, the inadequate farm equipment, the uneconomic size of the operating units and the exactions of the landlords. Produce sharing as a tenurial system has very little to do with it. In fact, tenancy arrangements imply considerations far beyond *mere* efficiency of production. If the thesis presented in the book could serve at least to dispel prejudice and to revise the previously held beliefs among the readers on share-tenancy, I feel that my efforts are more than amply rewarded. Since agricultural problems are largely regional in character, the local terms in use in various parts are freely used. But for the consideration of breaking an old custom, it would have been more useful if the Glossary of local terms used is put at the beginning instead of at the end. I should also express my gratitute to Sir S. V. Rama-

murthy for writing the Foreword, to the Government officials and the public for their co-operation and for giving me the necessary information such as they could possess or in a position to say during the periods of my investigation.

June 1949,
School of Economics and Sociology,
University of Bombay.

V. V. SAYANA.

CONTENTS

Foreword v

Author's Preface vii

CHAPTER

Introductory. 1

II. Share-Tenancy. 28

III. Rates of Produce-sharing—A Survey of Farm Practices 40

IV. Fixed-Rent Systems: 56

V. Rates of Fixed-rents—An Abstract of Factual Situation 67

VI. Effects of Sharing and Fixed-Tenancy Systems 86

VII. Summary of Conclusions and Recommendations 105

APPENDIX (A) Copies of Some Lease Deeds ... 120

APPENDIX (B) Incomes of Landlords and Tenants in Some Regions under Different Tenancy Patterns ... 127

GLOSSARY ... 136

CHAPTER I

INTRODUCTORY

Introduction: Of all the economic and social considerations of agriculture, the relation between the farm and the farm-operator is of key importance. Both agricultural production and income distribution are largely governed by the nature of these relationships. The modes of working of the farms materially affect the land use, its conservation and improvement and the extent to which it would provide the agricultural requirements of the people, both individually and collectively. The agrarian prosperity in a country, in fact, depends not simply on the extent of agricultural land available in relation to its rural population or on the so-called man-land ratio but on the extent of cultivated land under ownership and tenancy as also on the nature of the tenancy patterns. It is wellknown that these circumstances in turn are conditioned by a whole series of factors, historical, economic, social and even political or purely psychological, which may differ not only from country to country but also from one region to another in a given country. Any endeavour to improve agriculture should, therefore, necessarily include an objective study of the conditions of tenancy, its forms and practices on a regional basis for improving the landlord-tenant relations and for devising, after a careful and integrated analysis of the available data, a type of tenancy conducive to good husbandry and desirable to the parties concerned, if we are not prepared for enforcement of a radical scheme of land reforms in the near future.

Ownership and Tenancy: Farming by owners is *per se* superior to farming by tenants, and there is no question

about the merits of owner farming as against tenant-farming. A piece of owned land is a thing valued most by a farmer on sentiment which creates an abiding interest in the farm and the environs and a sense of responsibility which is scarcely perceptible in a tenant Land provides a tangible and perhaps the safest source of sinking of funds by the illiterate people and ownership confers a status in society. The rise in the prices of land, difficulty of securing land on tenancy, lack of alternate sources of employment and improved facilities for agriculture due to expansion of irrigation and communications, better methods of farming and marketing of produce all combine to place a premium on ownership of land. Besides the existence of unsatisfactory conditions of tenancy, extracting terms of leases, callous and cruel attitude of the landlords towards tenants together with absence of adequate tenancy legislation indeed make ownership doubly preferable to tenancy. It is commonly acknowledged that an owner invests larger sums to effect improvements in land and in the operating equipment as compared to a mere tenant, while the farming efficiency and family earnings of the former are decidedly higher than in the case of a part-owner or tenant.

However, there are certain theoretical advantages under certain circumstances to contract land on tenancy instead of spending huge sums to purchase it, especially when the prices are high or the funds of the operator are small. Because the amount necessary to purchase a piece of land will be many times more than the amount required to provide all the working capital, including livestock and farm equipment, a person can as well secure the control of a farm by taking it on lease and obtain also an additional income from his surplus funds by investing them in other ways which is seldom done. If one works out and compares the annual cost of the possession of land as an owner and as tenant

under a system of regulated tenancy conditions, possibly there may not be much economic or financial advantage of ownership[1]. Apparently when the proposition is worked out according to strictly business principles taking into account the interest due on the money invested in land, there may be some advantage in being a tenant, but the real advantage is the owner's in that he saves an annual rent payment equal to interest on capital investment in land and other permanent structures on the farm, costs of taxes and upkeep of the farm *plus* the landlord's profit, if any. But, at the same time, it has to be recognised that some of the very efficient systems of general farming in the world have been developed under tenancy, as in England where about 90% of the land is operated by tenants and most of the remainder by hired managers, leaving only a very small fraction operated directly by the owners[2]. Again, the best system of raising specialised agricultural products was found on the small gardens in the vicinity of Paris uuder tenancy. In both these cases, however, there are special reasons for the preference of tenancy to ownership[3]. It is largely due to a system of carefully evolved lease contracts which provide security of tenure and stability of the farm with adequate compensation for improvements made at the expiry of tenancy. Moreover, in the case of France, land in the neighbourhood of the city of Paris was kept as prospective building sites and had a speculative value far in excess of its value as a garden land.

---

1. See my paper on "Land values in the Madras Province." *Vide* Journal of the University of Bombay, vol. xvi, Part 4, January, 1948, p. 33.

2. *Vide*. Farm Tenancy in U. S. A., Census Monograph iv, Dept. of Commerce, Bureau of Census, Washington, 1920, p. 14.

3. Cf. Principles of Rural Economics, by T. N. Carver, Boston, 1911, ch. iv, p. 228-9.

Rise and Growth of Tenancy: With the increase in population, the expansion of cultivation of annual cash crops readily marketable and requiring little investment, the fragmentation and sub-division of holdings, the decay of cottage industries and rise in land values, tenancy has got perceptibly established in India at the beginning of the 20th century. The effects of the great depression of 1930's, the transfer of considerable extents of land from the cultivating to the non-cultivating classes, the traders, the moneylenders the professionals and the like and the efflux of people from rural to urban areas have only accelerated this process. The following survey of the tenancy situation as reflected from the statistical data regarding the number of landlords, owner cultivators, tenants and agricultural labourers during the period 1911 to 1931 in the major provinces of the Indian Union will broadly bear testimony to the growing tendency of land-leasing during the period.

1. **Madras Province:**

Distribution of agriculturists of different types per 1,000 *persons supported by agriculture during* 1901 *and* 1931 :—

		1901	1911	1921	1931
Cultivating owners	...	512	461	398	390
Non-cultivating owners	...	30	34	56	34
Cultivating tenants	...	167	225	240	120
Non-cultivating tenants	...	2	6	32	16
Agricultural labourers	...	289	274	274	429

The decrease in the number of cultivating owners and the increase in the number of tenants and agricultural labourers is obvious.

2. **Bombay Province:**

The modes of enumeration and compilation of occupational statistics unfortunately varied from census to census, while the figures for occupation are not available for the

census year 1901 in the Bombay Presidency. However, the figures given below may be of some value although due note has to be taken about these variations in enumeration in drawing inferences.

Census 1911. Description.	Total Number.	Census 1921. Description.	Total Number.	Census 1931. Description.	Total Number.
A. Ordinary cultivation ...	17,378,671	A. Ordinary cultivation ...	16,480,093	A. Ordinary cultivation ...	
(i) income from rent of agri land ...	845,677	(i) income from rent of agri. land ...	864,796	(i) Non-cultivating proprietors taking rent in money or kind.	247,645
(ii) Ordinary cultivators ...	11,688,326	(ii) Ordinary cultivators ..	12,463,389	(ii) Cultivating owners.	1,212,362
(iii) Agents, managers of landed estates (not planters), clerks, rent collectors, etc. ...	10,918	(a) cultivating owners ...	5,275,746	(iii) Tenant cultivators ...	1,636,402
(iv) Farm servants and field labourers ...	4,838,750	(b) cultivating tenants ...	4,531,885	(iv) Agri. labourers...	3,737,847
B. Growers of special products and market gardening (includes tea, coffee, cinchona, rubber and indigo plantations as well as growers of fruit, flower, vegetable, betel, vine, pepper, spices, arecanut, etc. ...	49,655	(c) cultivators, unclassified ...	2,655,758	(v) Estate managers, rent collectors, clerks, etc. ...	21,904
		(iii) Agents, managers of landed estates, clerks, rent-collectors, etc. ...	10,344	B. Growers of special products and market gardeners, etc. ...	19,142
		(iv) & (v) Farm servants and field labourers ...	3,091,564		
		(a) ordinary agri. labourers ...	3,007,253		
		(b) indentured labourers ...	84,311		
		B. Growers of special products and market gardening ...	55,059		

It may be noted that in 1931, the agricultural labourers constituted 54·4%, the tenants 23·8% and cultivating owners 17·6% out of the total number depending on agriculture.

3. Bihar and Orissa:

Census 1911.		Census 1921. *		Census 1931. *	
Description.	Total † Number.	Description.	Total Number.	Description.	Total Number.
1. Landlords ...	61,496	1. Rent receivers ...	114,942	1. Non-cultivating proprietors ...	119,966
2. Cultivators ...	1,644,616	2. Rent payers ...	10,911,349	2. Cultivating owners ...	375,126
3. Agri. labourers ...	224,488	3. Farm labourers ...	82,722	3. Tenant cultivators ...	8,842,429
		4. Field labourers ...	3,230,531	4. Agri. labourers ...	8,970,968

* Here also one must carefully note the variation in enumeration at the various censuses.

† It may be noted that ordinary cultivators have increased only 5% but rent-receivers by 19% and agri. labourers more than doubled since 1901.

4. Punjab:

	Census 1931.	Census 1921.	% Variations. (1921-31)
1. Non-cultivating proprietors taking rent in money or kind ...	320,673	337,779	—5·1
2. Cultivating owners and tenant cultivators ...	5,320,303	4,265,527	+24·7
3. Agricultural labourers	736,028	463,906	+58·7
4. Estates agents and managers of owners, rent collectors, clerks, etc.	3,546	7,342	—51·7

It may be noted that the Province is by no means wholly a land of peasant proprietors as it is supposed, and there has been an increasing tendency in the growth of petty lessors. For example, while the number of persons living on incomes from rent of farmlands has grown from 6.26 lakhs in 1911 to 10·08 lakhs in 1921, the number of farm servants and field labourers had actually decreased from 11·92 lakhs to 11·34 lakhs during the decade 1911-21. According to Mr. Calvert, "the increase in rent receivers is to a considerable extent covered by persons who are able to represent themselves as living on rent owing to the rise in prosperity. Rawalpindi and Jhelum have amassed large sums during the war; Lyallpur, Shahpur and Gujarat have amassed wealth by the rise in price of agricultural produce. The decline in labourers and the increase in the number of tenants indicate a tendency to rent the land rather than cultivate through hired labour"[1]

5. U. P. of Agra and Oudh:

Description.	Actual No. of earners or working dependents 1931	No. per 1,000 of total agriculturists.		
		1911	1921	1931
1. Non-cultivating landlords ...	260,610	15	18	9
2. Non-cultivating tenants ...	193,877	11	18	11
3. Cultivating landlords ...	1,795,536	101	844	79
4. Cultivating tenants ...	12,011,621	676	844	728
5. Agricultural labourers ...	3,419,185	192	184	171
6. Estate agents and managers of private owners and Government rent collectors, clerks, etc. ...	52,463	3	3	5
7. Cultivators of special crops, market gardeners, etc. ...	32,139	2	1	2

1. *vide*. Census of India, vol. xv, Part I, Punjab and Delhi, 1923, p. 354.

It is observed in the report that the landlords in the Province increased during 1911-31 by 6%. This was due mainly to the division of estates through partition according to laws of inheritance and partly due to selling piecemeal of the estates of the indebted landlords. Further, the landlords finding that they could get good rents have been encouraged to let or sublet the land they were formerly cultivating themselves.[1]

6. Bengal:

	1901	1911	1921
1. No. of landlord or rent-receiving class ...	978,016	1,205,266	1,319,302
2. No. of cultivating classes per 100 of landlord class.	2,807	2,410	2,315

The landlord class which includes a very much greater number of small middlemen than of Zamindars paying revenue direct to Government, increased by 23% between 1901 and 1911, but by much less, 9%, during 1911-21. In both cases the increase has been something like three times as great as among the population as a whole.[2] According to the census report of 1931, in Bengal, about 94·8 lakhs are dependent on agriculture in the province as their main occupation while for about 6·8 lakhs it was a subsidiary occupation. More than one half of these were cultivating owners; for every two of whom there was one agricultural labourer. The figures for cultivating tenants were less than one-sixth of those of cultivating owners and there was only one landlord for more than ten cultivating owners. In 1931, there was a decrease in the number of cultivating owners

1. *vide*, Census of India, Part I, U. P. of Agra and Oudh, 1933, Allahabad, pp. 395-6.

2. *vide*, Census of India, vol. v, Bengal, Part I, 1923, p. 385.

and tenant cultivators put together by about 35%. On the other hand, agricultural labourers increased by 50% numbering 2,718,939 as against 1,805,502 farm servants and field labourers in 1921. There has been a considerable increase in the numbers returned as non-cultivating proprietors (from 390,562 to 633,834) and a small decrease in the number of their agents, rent collectors, etc., from 46,181 to 44,586.†

The limitations of the census figures as given above are obvious. There is no uniformity of enumeration and compilation of statistics in all the provinces and also, at different census years, for arriving at substantial conclusions on the basis of such figures. Moreover, they represent, at their best, a situation that obtained about two decades ago, the proportions of which might greatly differ as compared to the existing conditions. However, in the absence of more reliable and up-to-date data available on the growth and extent of tenancy in each of the provinces, they may be taken as broadly indicative of the chief tendencies at work during the last half a century. Even though there has been a rise in tenancy in recent years, the growth is by no means uniform in all provinces, either in its nature or in extent and geographic distribution. Tenancy is greatest in Provinces like Bengal, Bihar, Madras and U.P. due to the predominance or existence of the Zamindari and other proprietory tenures. In the ryotwari areas, it is developed to a high degree in thickly populated and irrigated tracts and river valleys like the Ganges, the Godavari, the Krishna and the Cauvery.

Tenancy in Some Countries : Tenancy should not be looked at as a rare phenomenon obtaining in India. It is

† *vide.* Census of India, vol. v, Bengal and Sikkim, Part I, 1933, p. 271.

found to exist and persist in other countries as well, to a greater or lesser extent, as may be seen from below :—

Table showing percentage distribution of tenancy in different countries : [1]

Country		Owners	Part-owners	Tenants
Great Britain (1930)	...	11.7	3.8	84 5
Germany (1930)	...	17 6	29.9	42.5
Belgium (1930)	...	68.0	—	32.0
Japan (1934)	..	31.0	42.0	27.0
Canada (1930)	...	88.6	3.4	8.0
Denmark (1930)	...	99.4	—	5.6

According to the report on Farm Tenancy in the *U.S.A.* 1920, tenancy was found to increase during the forty years 1880-1920, for the number of tenant farms increased by 139.6%, whereas the number of farms operated by owners and managers increased only bv 33.8% and the number of tenant farms in each out of 1,000 of all farms increased from 256 to 381 or 49%. It was, in fact, during the decade (1890-1900), towards the close of the 19th century, the increase in farm tenancy was greatest, the higher percentages of tenancy being noticed on farms devoted to cash crops involving small investment of money for working the farm but giving relatively rapid turn-over.

Tenancy Patterns and Their Extent: Tenant-cultivation is considerable in France which is found largely in the north of France and on the large estates, while share-cropping (*melayage*) is common in South of France. The proportion of

1. Quoted from various sources *vide*, Land System in China. International Review of Agriculture, vol. xxxi, No. 1, January, 1940 p. 6 E.

Note :—The following figures show percentage of Farm Tenancy in some countries : Scotland 76 % (1935), Ireland o (1937), Netherland, 49% (1930), Italy 41% (1930), France 25% (1929) and Japan 70% (1937).

tenancy in Germany, viewed from its relation to the agricultural area, was found in 1933 that the percentages of land leasing were higher on the smaller size groups of the farms representing 0.5 to 2 and 2 to 5 hectares and also on size groups of 100 to 1000 hectares (the percentage figures being 29.7%, 25.4% and 22.5% respectively), whereas the percentages were lowest on farms of 1000 hectares and over (only 7.9%) and on 20 to 100 hectares (11.1%). The reason for the lowest extent of tenancy on the biggest farms might be due to the fact that most of such farms include wooded lands which were not suited to tenant farming because of the long periods of re-afforestation involved. Hardly very few farms are cultivated in Germany under crop-sharing. In the year 1930, in Italy, about 12% of the total farm area was operated by tenant farmers and 15.8% by share croppers (*mezzadari*); and the farms operated partly by owners, partly by tenants and *mezzadri* amounted to 14% of the total arable land. A special form of tenancy in Italy is the "collective tenancy" either operated in the form of individual co-partnership or as collective co-partnership. Giving fixity of tenure and freedom of cropping for the tenant are the two fundamental things of English tenancy legislation. Out of 2.361 million tenant farms in the U. S. A. in 1940 †, 0.514 m. were cash

† The Federal census of 1940, classifies farm tenants in U.S.A. as follows :—

1. A *tenant*, in general, is defined as one who operates hired or rented land only. 2. *cash tenants*, are those who pay a cash rental, as $ 4.50 per acre for crop land or $ 500 for the use of the whole farm. 3. *Share-cash tenants*. This kind of tenant pays a part of his rental in cash and part as a share of crops or livestock production. 4. *Share-tenants*. This class of tenants pay their rental only in the form of a share of either the crops or livestock production or both. 5. *Croppers*. This type of tenant is defined as share tenants to whom their landlords furnish all the work animals or tractor power in lieu of work animals. 6. *Other tenants*. In this group are included those whose rental agreement was unspecified and those who did not fall definitely into one of the other sub-classes

tenants, and 1.636 m. consisted of croppers and other types of share tenants. The South contained by far the greater proportion of these share tenants and croppers numbering about 1.049 m.

Thus it may be seen that the chief forms of tenancy are the produce-sharing and fixed tenancy systems. The sharing system is known as *metayage*, *mezzadari* etc., while the fixed tenancy system may involve different methods of payment of rents, fixed in kind or cash or partly both.

Recent Trends : From a scrutiny of the contents of Table No. 1, it is evident that generally in Europe owner-farming predominates which is most characteristic of countries like Denmark, Ireland, Yugoslavia, Bulgaria and Finland. Even in countries like U. K., Wales, and Scotland, where tenancy is predominant, the trend in recent years has been towards a progressive fall of the area under owner farming except in a few countries like Belgium. But it is certain that the future promises everywhere a decline of farm-leasing. Due to rise in prices all round, there has been also a tendency for substitution of cash rents to crop rents and even for crop-sharing in many parts of India. With the introduction of tenancy laws with security of tenure and fixation of rents at an unattractive level, there are indeed hard days ahead of the rent-receiving classes in India.

Economic Significance of Alternate Tenancy Types: The chief types of tenancy in India, as referred to above, are the produce-sharing system (*Batai*), the fixed rents in kind or grain (*Theka*) and the cash rents (*cist*) system. The place research into the causes responsible for the forms tenancy has taken, cannot be over-emphasised in a study of tenure problems. It is necessary to evaluate in general terms the

Table No. 1, showing the proportion of number and area of farms cultivated under ownership, tenancy and share-cropping or *metayage* in relation to the number and area of all farms :- [1]

Country.	Year.	Under ownership.		Under tenancy.		Share-cropping or metayage.	
		Number.	Area.	Number.	Area	Number.	Area.
England and Wales	1913	11·2	10·6	88·8	89·4	—	—
	1927	—	36·0	—	64·0	—	—
Scotland ...	1913	7·3	10 6	92·7	89·4	—	—
	1931	(1) 22·6	(2) 31·4	77·4	(2) 68·5	—	—
France ...	1892	70·7	52·8	23·0	37·0	6.3	10·2
	1929	74·7	59·9	19·1	30 0	6·4	10.1
Germany ...	1907	—	86·3	—	12·6	—	(3) 1·1
	1933	—	88·7	—	10·7	—	(3) 0·6
Italy ...	1930	59·1	57·5	13 5	12·7	12.6	(4) 15·2
Ireland ...	1929	—	97·5	—	2·5	—	—
Belgium ...	1895	27·9	(5) 45·8	—	—	—	—
	1929	48·2	40·9	51·	59·1	—	—
Netherlands ...	1910	50·8	47·2	—	—	—	—
	1930	53·8	(6) 51·0	46·7	49·0	—	—
Switzerland ...	1929	—	(8) 80·6	—	16·9	—	(7) 2·5
Norway ...	1929	85·7	—	14·3	—	—	—
Denmark ...	1901	89·0	90·3	4·6	7·8	6·4	(7) 1·9
	1919	94·0	—	6·0	—	—	—
Sweden ...	1913 / 1920	72·6	—	—	—	—	—
	1932	80·4	73 3	19·6	26·7	—	—
Estonia ...	1929	—	72·4	—	—	—	—
Latvia ...	1929	—	84·3	—	—	—	—
Lithuania ...	1930	—	89·4	—	—	—	—
Finland ...	1910	56·6	—	—	—	—	—
	1929	88·9	—	—	—	—	—
Poland ...	1921	85·4	—	—	—	—	—
Czechoslovakia ...	1930	55·7	90·6	—	—	—	—
Rumania ...	1913	60·0	—	—	—	—	—
Yugoslavia ...	1931	92·0	—	—	—	—	—
Hungary ...	1935	—	85·0	—	—	—	—
Bulgaria ...	1934	97·0	—	—	—	—	—

1. Quoted from International Review of Agriculture, Vol. xxxi, No. 12, December 1940, p, 397E.

Note: (1) farms belonging entirely or mostly to farmers ; (2) only the area of arable land, meadows and pastures has been classified as area owned or rented ; (3) land made available by owners for agri. workers instead of wages, the area often less than 0.5 hectares ; other land (communal grants, various properties) comprising 0·5 per cent. of the total area of holdings ; (4) there are also mixed farms representing 14 8% of the total No. of holdings and 14% of the total area : (5) year 1910 in respect of area ; (6) the dates refer to areas operated under farming ownership or lease and do not correspond to the area of the holdings : (7) in usufruct ; (8) Farms with over 2 hectares of arable land.

economic significance of each of these tenancy patterns in relation to soil conservation and efficiency of farming, incidence of rents, the landlord's and tenant's interest in farming, security of tenure, the nature of irrigation and crops raised, influence of custom and social effects. Such an inquiry is of great value to mitigate the evils of tenancy, to improve agriculture and the landlord-tenant relations by evolving suitable forms of tenancy and to delimit the regions under different tenancy types through legislative control and measures. These and allied questions form the subject matter of this monograph, which are dealt with objectively, probably for the first time in the field of research in Agricultural Economics.

Produce-sharing Tenancies at Home and Abroad: Since the different aspects of share-tenancy are considered in the succeeding chapters (Chapters II, III and VI), it is pertinent in this chapter to state in general terms the position of produce-sharing system in the provinces of India and in some countries of Europe, U. S. A. and Asia.

In the U. S. A., it is not looked upon with disfavour. In fact, during 1910 to 1920, the area cultivated under share-tenancy increased by 30.6% as against an increase of 25.5% in case of share-cash tenancy, 5.4% of cash tenancy and an aggregate increase of 17% of the area cultivated by all types of tenants. But the area under tenancy decreased from 42.7% in 1930 to 38.7% in 1940, which was due to the decrease in tenancy in cotton and tobacco areas of the South and particularly among the share-croppers. There was also recorded a 30% decline in the number of share-croppers, largely found in the South during the same decade, for some of the lands farmed by share-croppers and other tenants were increasingly operated by owners with employment of a larger

number of labourers on cash wages. It may be noted, however, that while the share tenancy of the South is largely the tenancy of the cropper and "near cropper", the share tenancy of the North is of a more independent type—the tenancy of the man on the "ladder", who looks forward to become an owner in the course of a few years[1].

There are a good number of varieties of renting of farms on produce-sharing in the U. S. A. and the following obtained in the wheat areas of North and South Dakota, Nebraska, Kansas, Oklahoma, Minnesota, Idaho and Missouri are illustrative of wide variations :—

The first method is called the "one-third share" method, under which the landlord receives one-third of the grain and furnishes land. dwelling, barn and other farm structures, fences, material for repairs, skilled help for making repairs, and grass seed, and also pays the real estate and road taxes. The tenant furnishes labour, work stock, machinery and tools, and seed grain, and pays for the twine and the expenses of threshing.

The second method is called the "one-half share" method, where the landlord receives one-half of the crop and, in addition to furnishing what he does under the one-third share system, supplies all the stock and seed grain, pays onehalf of the threshing-machine bill, and sometimes pays for half of the twine.

The third is called the "two-fifths share" method, where the landlord receives two-fiths of the crop and both the landlord and the tenant contribute the same as under the system in which the landlord receives one-third; that is, the only difference between this method and the one-third share

1. *Vide.* Farm Tenancy in the U.S.A., 1920, opp. cit, ch. xiii, p. 121.

method is that the landlord receives a larger share of the products. The reason for this better bargaining is probably that the land is more productive.

Another method is designated "one-half share of both crops and stock", when the crops and stock are divided equally between landlord and tenant. The landlord, in addition to what he contributes under the system in which he receives one-third, owns one-half of the productive stock except poultry, and bears one-half of the general farm expenses, except those for labour and repairs to machinery, while the tenant supplies all labour, owns all the work stock and farm machinery, keeps the machinery in repair, and owns one-half of the productive stock. Under this system each of the contracting parties gets one-half of all farm sales, except those from poultry or work stock, all of which go to the tenant. When farms are rented for a share of crops and stock, the lease provides whether the tenant's work stock may or may not be fed from the grain and hay owned in common and used to feed the other stock.

Another method is the "two-thirds share" method, where the landlord receives two-thirds of the crop and supplies everything but man labour, that being the tenant's only contribution. Under this system the tenant receives one-third of the grain only, while the landlord receives two-thirds of the proceeds from the sale of grain and all the proceeds from the sale of stock.

A few of the farms in the wheat belt are rented on cash rent system forming thus a sixth method of renting[1].

1. *Vide*. Land Contracts in Typical Countries of the Wheat Belt, by E. A. Boeger, Bulletin 850, U. S. Dept. of Agriculture, Washington, 1917, as quoted in the Social Economics of Agriculture, by W. Gee, New York, 1942, ch. viii, pp. 205-6.

France: As early as the 15th century, produce-sharing tenancy known as *metayage* was almost the foundation of the entire system of farming in France which survived upto the present times in spite of the unfavourable attitude of the Physiocrats and the missionaries of the French Revolution against the system. *Metayage* is the more usual form of tenancy in the south as compared to the north of France and in 1929 about $\frac{1}{10}$th of the farm area was cultivated under the system.

Italy: In the year 1930, about 15.8% of the total cultivated area in Italy was under share-cropping known as *mezzdri*. It is obtained in its typical and purest form in Tuscany since a long time; it predominates in Umbria and Marches and it has reached a high degree of perfection in Venetia and Emilia. Mixed share-cropping is in vogue in the dry districts of Lombardy and in numerous farms in Abruzzi and Calabria. Leases and sub-leases are also found in Sicily known as *metateria*, although the typical regions of share-cropping, however, are come across in Central Italy[1].

'*Collective Tenancy*' is an interesting tenurial pattern of Italy which is said to represent an original form of Italian co-operation. Under the system, a fair number of farm hands form themselves into an association to secure land on lease or on produce-sharing basis and undertake management and cultivation of lands. In certain circumstances, the association may obtain the control of land on a purchase contract in which case it may be described as collective ownership as contrasted with collective tenancy or collective crop-sharing systems. Collective action in respect of lease or crop-sharing may again be of two kinds: the first largely

1. Cf. 'Share-tenancy in Italy' by G. Costanzo. *Vide* International Review of Agricultural Economics, Jan.-March, 1924.

2

individual and the second truly collective both in nature and in mode of farming. In the former, each member is responsible individually for a plot of land allotted to him for cultivation. He is free to cultivate another piece of land as a share-cropper or as a farm owner, or he may go as casual labour to work elsewhere in his spare time. In the latter category, all the members have to work jointly on the land as a whole and the status of each member is that of a fixed or casual labourer or even a small tenant in the corporative system. The duration of leases may last for 1 to 3, 9 or 15 years or more and the land may belong to churches. charitable institutions or private individuals.

The share-tenancy of the *Individual Co-partnership type* of Italy is extensively found on the reclaimed lands in Venetia and Emilia and also in some parts in the south particularly in the *latifundia* regions. It is also common on the farms employing hired labour in Lombardy and Piedmont. The crops usually raised under the system are wheat, hemp, beets, tobacco, maize, tomatoes and potatoes in N. Italy, and wheat, beans and maize in S. Italy. From the time of sowing upto the time of the first handling of the crops constitutes generally the life of the leases. The land-owner prepares the land for sowing and also arranges for transport of the produce, while the worker partner supplies all the labour necessary for the crops from sowing to the harvesting of the crop. However, in some cases, the contract comes into force even before sowings and in case of some other crops, the co-partnership may expire even before the first handling of the crop. The labour-partner gets a share of 30% to 40% of the crop and the land-owner in his turn bears 30% to 40% of the cost of manures, seeds and hire of certain equipment. He is also obliged to advance sums for the family-maintenance of the worker till

harvest time. There may be yet other conditions concerning division of by-products varying from region to region.

Tenancy of the *Collective Co-partnership type* is of wider interest which prevails in the regions of Mantua and Maccarese (Rome). It may be considered as an intermediate stage through which a farm-hand can profitably pass before he can rise to the status of a farm-owner, since it provides a share in the crop and a direct interest in the processes of agricultural production. This system is based on the community of interest extending to various crops raised on the farm and on a discipline under which workers (collectively liable and responsible) and the farmer share in the costs and the profits of management in accordance with the conditions specified in the contracts signed by the two parties, namely, the landowners and the workers.

Collective Co-partnership may be of two forms: *General* and *Partial*. It is *General* where the collective action of workers embraces all the productive operations of the farm, and it is *Partial* when the co-partnership extends only to certain processes with exclusion of others like fodder crops, animal husbandry etc., for which the landlords have to provide separately. The efficient management of farming is the responsibility of the landlord in accordance with the prevailing technique of agricultural production, carried either directly by himself or through a paid manager. The chief distinction between *Partial* and *General co-partnership* (as for example in Mantua) is that the workers in collective co-partnership obtain almost all their returns from the yield of collective farming, while the income obtained from partial co-partnership may constitute a supplementary to the wages of the workers. As for economic results, it was found that almost in all the collective farms the individual incomes

received yearly by the workers in co-partnerships were found more than 500 lire for men and 200 lire for women as compared to the average estimated earnings of day-labourers in the same locality. Further, the increase in the employment provided on the farms operated, the daily wages paid, and the number of days worked by the labourers indicated the advantages of collective co-partnership system in Italy[1]. No doubt, the usefulness of the system may be widened if the share of the labourers in management and organisation of farming processes as well as in the produce is increased to a larger extent.

China: All forms of tenancy exist in China: share-tenancy, cash-tenancy, fixed rent in produce or produce converted into its money equivalent (cash-crop system). On account of the precariousness of agriculture due to rains or floods, sharing system is common in north China, while the south is adapted to cash-tenancy in view of the intensive farming carried and the relatively less number of risks in farming. The division of crop may be half and half, the two-fifths, the three-fifths of the one or more crops after harvest as agreed to in the contracts. The division of half and half is perhaps the predominating practice in the north.

Pakistan: As in many provinces of the Indian Union, we come across the *batai* system (produce-sharing) almost in all parts of Pakistan, especially in Sind and in W. Punjab. Usually *batai* implies sharing the produce in equal proportions less the customary deductions. The share

1. For details with regard to recruiting of workers, organisation of farming, relations between the contracting parties, distribution of produce, finance, and economic and social results, see "Collective Co-partnership Contracts in Italian Agriculture" by G. Costanzo. *Vide* International Review of Agriculture, vol. xxxiii, No. 10, October 1942.

of the Zamindar or landlord varies from ½ to 2/3, but generally in Sind it is 1/3 for lift irrigated crops and ½ the produce for *sailabi* or flow-irrigated fields. If seeds and bullocks are also supplied by the landlord, his share will be much larger. In fact, many variations exist in the division of the produce in different regions depending on local custom, nature of irrigation, crops raised, etc.

In the context of tenancy situation in Pakistan, the *Hari* system of Sind surely merits a special study[1]. The *haris* in Sind number, according to the estimates made, about 2 millions in the aggregate (of whom the actual workers are 0.7 million males and 0.3 m. females and 1 million other dependents). Most of them are landless labourers who eke out their living by means of share-cropping. The *hari* contributes seeds in addition to his labour, the use of his plough cattle and such of the agricultural implements he has, and gets usually about half the share in the produce, making allowance for the customary deductions and dues of the landlord. *Batai* is a way of living to the *haris*, though it may not be the only source of employment to them, for some of them may supplement their meagre returns from *batai* by other ways, as carting the produce to Zamindars and merchants, sale of milk products and young stock and wages of labour of himself or his family members for work done in the fields of others. In the opinion of the *Hari* Enquiry Committee, "rack-renting, which is commonly associated with those land tenure systems where uncontrolled cash-rents prevail, is not a chronic feature of the *batai* system as practised in Sind. When, however, the exactions deducted from the *hari's* share of produce are inordinate, they can be considered as a form of rack-renting". A great majority of

1. See Report of the Hari Enquiry Committee, Govt. of Sind, 1947-8, chapters 1 & 2.

haris, particularly, the Muslims never quit their Zamindars but the *haris* of the scheduled castes (who are semi-migratory in nature) are found to leave the lands more often than the Muslim *haris* for various reasons. The voluntary relinquishment of lands by *haris* is common on leased lands and on the lands of the absentee landlords. But it must be noted that if a landlord ejects a *hari*, he loses not only that particular *hari* but often the co-operation of the entire group of the *haris* of which he is a member. He has to perform sometimes labour apart from his farming in connection with the P. W. D. irrigation works (cf. section 58 of the Bombay Irrigation Act VII, 1879, which applied to Sind providing compulsory recruitment of labour for clearance and repairs of canals, etc., for which wages equivalent to the highest rates prevailing in the localities had to be paid) or to his Zamindars on special occasions or in connection with the visits of Government officials. The former is known as '*cher*', for the *hari* is paid for the work done and the latter '*begar*' since he receives no remuneration whatsoever for his labour, which needs legal prohibition. It is stated that the *haris* in general are not so badly in debt as it is commonly supposed. But irrespective of the real need or the financial position of a particular *hari*, the *haris* as a rule, especially the scheduled castes, (the *Bhils*, *Mengwars* and *Ods*) take a lump sum in cash at the time of annual engagement (in amounts varying from Rs. 30 to Rs. 40 in pre-war days and now exceeding even Rs. 400 in some instances), partly as an insurance against crop failures. Most of them do not appear to be strong in getting rich by means of *batai* cultivation but they do wish to be least subjected to the harrassment and annoyances of their landlords[1].

1. *Note*: The most regrettable fact is that the majority of the members of the Hari Inquiry committee consider that matters concerning

Indian Union: In India, in the provinces like Bihar and Bengal, crop-sharing has gained and is gaining in importance as a method of payment of rent. The share-croppers are generally landless labourers and petty tenants or landowners whose holdings are too small to support them. The witnesses examined by the Floud Commission were agreed that the area cultivated under crop-sharing is increasing. In Bengal (before partition) about 5.6 m. acres or nearly 1/5 of the total cultivated area of the province was under the system, the tenant cultivator known as the *Bargadar*. The net income for the rentiers on *Bargadari* system after payment of Government demand on land is estimated at about Rs. 7.7 crores which was nearly 2/3 of the estimated income of the superior landlord. In Bihar the total area cultivated under share-tenancy would be less than a fifth of the cultivated area of the province. According to the report of the Punjab Land Revenue Committee, 1938, about 58% of the cultivated area of the province is under tenancy, out of which about 50% constitutes the area cultivated by

---

the abolition of zamindaris, nationalisation of land, etc., are not within the scope of the terms of reference of the committee. Hence the report is drafted and such recommendations made as are deemed to be feasible and desirable within the frame-work of the existing Land Tenure System. In the opinion of the Committee, the causes of discontent amongst *haris* and the disputes with their landlords are chiefly three, *viz.*, excessive levies (*abwabs*) collected by some zamindars from the share of the produce of *hari*, the high rates of interest charged by Zamindars and improper manipulation of accounts in settling the accounts of *haris*. Measures are therefore suggested to check the evils arising out of these chief causes such as regulation of division of crops and *batai* practices, regulation concerning tenancy agreements, maintenance of *hari's* accounts, recovery of *hari's* debts from cotton and other crops, tenancy rights and termination of tenancy, settlement of disputes, etc. (Ch. II pp. 25 to 55 of the Report, op. cit.)

share tenants[1]. *Batai* also exists extensively in the provinces of Bombay, Madras and in the C. P. and Berar. According to the Report on the Bardoli Enquiry Committee, 1929, it is observed that only in a very few villages cash rents were in vogue. Similar findings are recorded by the Report of the Third Revision Settlement of the Viramgam taluka of the Ahmedabad district, 1941, that the almost universal mode of tenancy in the taluka was the crop share system and that the cash rent was rare and outside the routine of farmers. The main varieties of sharing are 1/3, 2/5 and 1/2, the assessment being payable by the landlord or shared by both in the same proportion of the sharing of the produce. Ordinary expenses are usually borne by the tenant, but items like manure and repairs of bunds have to be provided by the landlord. The share of each is determined by actual weighment after harvest or by the estimate (*kaltar*) based upon local knowledge, demand and supply, etc. Cash rents are very rigid and are not very popular. During depression period, when prices were very low, kind rents were substituted for cash rents[2]. In Madras, the produce-sharing system is known as 'Varam' or Palu' and is not unpopular. The Land Revenue Settlement Report of the Nagpur District, 1917, remarks that "*Batai* is the immemorial practice for sub-letting on a produce rent. The usual form is half and half in which the tenant receives from the cultivator half the net produce, but sometimes he gets two-thirds. The cultivator usually has no responsibility for the rent (share payable to malguzar) of the field but sometimes he has to pay the tenant the whole or half in addition to the share of

1. *Cf.* 'Share Tenancies' by Dr. Gyanchand. *Vide*, Proceedings of the Fourth Conference of the Indian Society of Agricultural Economics, Dec. '43.

2. *Vide* 'Tenancy Problems in Bombay Presidency' by C.D. Kavi, Proceedings of the Fourth Conference, 1943, pp. 95-96, Ibid.

the produce. The advantage of this form is that rent fluctuates with the season and the greater the cultivator's share, the greater the landlord's. The cultivator has some incentive to cultivate well but it puts some strain on his honesty. When settlement comes round, fields which are usually sublet for cash are often given out on *batai*, or said to be, for a high cash rent gives a direct indication of value to the settlement officer which the tenant thinks it better to conceal." (*Vide* page 37 of the Report).

Thus it may be noticed that produce-sharing tenancies are popular in the U. S. A., firmly established in the Central and Eastern countries of Europe, chiefly in France, Italy, Spain and Portugal. Share-tenancy has been reported to yield good results in those countries, particularly on lands cultivated intensively, e. g., vines, olives, tobacco, cotton, citrus fruit, etc. It is by no means rare in the countries of the Middle East and the Far East. Produce-sharing has been quite common in N. China and in Pakistan and in India, emerging out of the practices of payment of land revenue to the king as a share of the produce in the latter group of Dominions since ancient times. In fact, share-cropping is associated with the regions inhabited by the agricultural population having large families which include close relatives together with their family members.

Recent Opinion on Crop-sharing System: The opinion of landlords and tenants on the produce-sharing system is stated in Chapter II. However, it may be pointed out here that there seems to be a growing school of thought among the economists of Europe against crop-sharing and in favour of cash rents and, in fact, in one or two countries, as already referred to, the system of crop-sharing is legally prohibited. Section 8 (1) to (3) of the Bombay Tenancy and

Agricultural Lands Act, 1948 provides for commutation of crop-share rent into cash rents. The relevant passages are as follows[1] :—

"The Provincial Government may, from time to time, by notification in Official Gazette declare that rents payable wholly or partly as a crop-share in any area to which the notification applies shall, with effect from a date specified in the notification, which shall not be earlier than six months from the date of the notification, be commuted into cash.

"The Provincial Government may also by notification in respect of any special area fix the rate of commutation. If no rate of commutation has been so fixed the amount of commutation shall be determined by the Mamlatdar in the manner prescribed. The amount so determined shall not exceed the rent at the maximum rate fixed under section 6 and shall not be altered for a period of five years from the date on which it was determined.

"Provided that the Mamlatdar may, during the said period of five years, reduce the rent, if on an application made to him by a tenant, he is satisfied that on account of deterioration of the land by floods or other causes beyond the control of the tenant the land has been wholly or partially rendered unfit for the purposes of cultivation.

"Notwithstanding anything contained in any agreement, usage, decree or order of a court, no landlord in any area in respect of which a notification has been issued under sub-section (1) shall recover any rent by way of crop-share or in excess of the commuted cash rent after the date specified in such notification under sub-section(1)".

It is good that the Act does not prohibit crop-sharing altogether, although it provides for commutation of crop-share into cash rents probably with a view to allow full freedom to landlords and tenants in respect of the forms of tenancy convenient to them, or partly, in view of paucity of reliable data calling for legal prohibition of *batai* system in the province.

---

1. The Bombay Tenancy and Agricultural Lands Act, 1948 (ch. ii, p. 5).

Before concluding this chapter, it may be interesting to note that a prominent member of the Bengal Famine Commission[1] is said to be "convinced that the crop-sharing system is incompatible with efficiency of production" and considers that "steps should be taken to abolish it". It is suggested that where large holdings are cultivated on this system, they should be acquired by the State and resold on reasonable terms to landless labour or owners of dwarf holdings. Alternatively, tenancy legislation should be undertaken for the purpose of fixing cash rents for lands held on crop-sharing system and conferring occupancy rights to tenants. The committee (perhaps rightly) have not accepted the proposals, for the produce-sharing system is considered "as old as the country" and is ubiquitous in all provinces, especially in the areas of low demographic pressure. "In these circumstances, we are unable to agree that the system is intrinsically unsound in all circumstances. We have, however, already indicated that in certain areas and in certain circumstances, the system may be responsible for inefficiency of cultivation. In such cases, it is clearly necessary that suitable remedies should be found. This is why we have recommended that a detailed investigation of the subject should be undertaken"[2]. Answers to some of these points may be found indeed in the chapters that follow.

---

1. See: The Final Report of the Famine Inquiry Commission, Madras, 1945, part iv, ch. i, pp. 271-272.

2. Ibid.

Note:—The research was originally undertaken by the author at his own impulse independent of the suggestion made by the Famine Commission. In fact, this quotation was come across by the writer only at the time of giving final touches to the work before sending it to the Press.

CHAPTER II

SHARE-TENANCY

In Madras, the share-tenancy is known variously as *Palu*, or *Varam*. This form of tenancy may be characterised by a year to year lease contract (in the absence of any other period specifically mentioned) stipulating a fixed share of the produce to be paid in kind to the landlord for the use of farmland. The share of the landlord varies from 1/2 to 4/5 of the produce. The sharing of produce may be only in the main crop or, in some cases, in all the produce raised including straw and vegetables. It resembles the *Batai* or the *Metayage* systems[1] obtained in Northern India or in Europe, as discussed in the preceding chapter.

Origin and Growth: The origin and existence of the produce-sharing system can be traced to very old practices of farming and systems of land revenue in ancient, mediaeval and in early British periods.[2] The following sources, for example, clearly bear testimony to the prevalence of the system of crop-sharing in ancient India, especially the Buddhist works and Kautilya's *Arthasastra*. (i) A passage from Mahāvagga (5th century B.C.) reads as follows: "Of seedlings belonging to the *Samgha*, grown upon private ground, half the produce, O Bhikkhus, you may have, when

1. Cf. 'The term *Metayer* applies properly only to cases in which landlord's share of the produce is one-half; but it is usually applied to all arrangements of this kind whatever the landlord's share be'—Prof. A. Marshall, Principles of Economics, p. 643.

2. See. note on Indian Land System (ancient, mediaeval and modern) by Dr. Radha Kumud Mookerjee. *Vide*, Report of the Land Revenue Commission, Bengal, vol. ii, 1940, pp. 129—240.

you have given a part to the private owner. Of seedlings belonging to a private person, grown upon ground, the property of the *Samgha*, you may have the use, when you have given a part to the private owner." This indicates the system whereby seedlings were divided equally between the owner of the seeds and of the land on which the seeds were sown. The Buddhist *Viharas* had considerable areas of land which were cultivated generally by hired labourers by giving them half the produce as remuneration (ii) An interesting description of the system was given by I-tsing, the Chinese Buddhist scholar who was in India for more than twelve years (673-685 A. D.) in the following lines. "According to the teaching of the *Vinaya*, when a corn field is cultivated by the *Samgha* (the Brotherhood or community), a share in the product is to be given to the monastic servants or some other families, when the actual tilling has been done. Every product should be divided into six parts and one-sixth should be levied by the *Samgha*; the *Samgha* has to provide bulls as well as the land for cultivation. Sometimes the division of the produce should be modified according to the seasons. Most of the Monasteries follow this custom, but there are some who are very avaricious and do not divide the produce, but the priests themselves give out the work to servants, male and female, and see that the farming is properly done." (iii). The Hindu Law-books of the period also refer to non-cultivating landlords getting their lands cultivated against a share of the produce [cf. Apastamba, I. 6, 18 (20); II. 11, 28 (1)]. According to Manu, farming was carried on by hired labour on such terms as giving half the share of produce to the cultivator who had to supply seeds (cf. *Ardhika*, IV. 253) (iv). In connection with cultivation of Government Agricultural farms, the *Arthasastra* of Kautilya states: The Director of Agriculture (*Sitadhyaksha*) was in charge of the cultivation

of crown lands or Government farms. . . . . . He is to employ for cultivation the following classes of labourers, *viz*.: serfs, hired labourers, and convicts condemned to labour. He is also responsible for supplying these labourers with all things needed for their work of cultivation, such as implements (ploughs), rope, sickle and bullocks. He may also employ cultivators on the basis of a half-share of the produce (*ardha-sitika*), provided they bring their own seeds and bullocks. But those who can offer only their labour will have their share of produce reduced to one-fourth or one-fifth.

Besides the above evidence regarding existence of produce-sharing as an ancient method of cultivation of lands, it is also reflected in the system of land revenue both under the Hindu and the Moghul administration. The king's share of agricultural produce called *Bali* varied from 1/12, 1/10, 1/8, 1/6, upto 1/4, in the Hindu period, though 1/6 was common and 1/4 rare. Under the Moslem rule, the share was raised, varying from 1/3 to 1/2 of the produce, and under Aurangzib 1/2 became the standard. In the Zamindaries, the *balai* or *varam* persists even at present as the important system of collection of the rents of the estatedars[1]. Share-tenancy was common in the ryotwari areas also since long; which is found to have grown with the growth and strengthened with the strength of the institution of tenancy generally in different parts of the country, although it has lost its predominance, as money has replaced commodities as medium of exchange.

Some Recent Changes in the System : Even though share-tenancy comparatively is less flexible to changes as other types of tenancy since it is largely governed by local

1. Cf. The Agrarian Problems of Madras Province, by V.V. Sayana, Madras, 1949, pp. 98-99.

custom and usage, however, some changes are noticeable which have taken place both in division of produce and in human relationships. Formerly, payment of half the gross produce to the landlord was predominant, who also used to bear a portion of expenses of cultivation, as supply of agricultural implements, etc., besides his taking active interest in cultivation of land and its improvement. It was believed that he used to be humane towards his tenant and not very harsh in insisting the exact share in lean years. As a result, the relations between the landlord and tenant used to be homely and the lease continued from generation to generation. But in recent years, the share of the landlord is increasing, while his contributions to cultivation of land are diminishing gradually and his methods of collection of rents are found more legalistic and cruel. In some parts, the principle of sharing the produce is extended to whatever that is raised on the farm, both in grain and straw. The personal element has been replaced by tyranny of the landlord along which the honesty of the tenant and his alleged pilferings from the actual produce of the farm before its actual division between the landlord and himself, are also becoming a subject of frequent dispute. Due to lack of proper supervision of the landlord on agricultural operations, he is unable to appreciate the difficulties of the tenant. Thus there is a tendancy for landlords to have exaggerated estimates of the yields, while the tenants under-estimate them leading to mutual suspicion and ill-feeling. In many parts, recently, the share-rents are being rapidly displaced by rents fixed in kind or by cash with the growth of cultivation of commercial crops and the general rise in prices of agricultural commodities.

Opinion of Landlords and Tenants: Enquiries made with the landlords and tenants regarding their opinion about

Palu (sharing) system discloses that the tenants show a preference to the method of crop-sharing to a system of fixed rents, in kind or cash, whereas the rentiers prefer fixed rents. This is more applicable in case of weak tenants and absentee-landlords. The reasons are not far to seek [1].

In the first place, sharing system provides adjustments for failures of harvests and fluctuations in price levels of farm produce. If rents are fixed in kind or cash, the landlord is empowered with a legal right to claim his rents even when crops fail, totally or partially, or when prices of agricultural produce decline sharply, as in an economic slump. The landlord justifies his claim on the ground that he is not eligible to enjoy a corresponding gain that may accrue to the tenant in good years, and may often say that if the crops fail it is due to the misfortune of the tenant. It may be that if the landlord is a kind and generous person, instead of recovering his rents straight away by mortgage or sale of the property of his tenant or through the sale of the ornaments of the tenant's wife, he may be satisfied if a pronote is executed in his favour to the extent of the value of the arrears of rents in

1. Cf. The *batai* cultivation suits the Zamindar in Sind because he is more assured of his rent when this is paid in the form of a share of the crop, and *batai* labour requires considerably less supervision than wage labour. It suits the *Hari* because, as a landless labourer, it affords him the opportunity to engage in semi-independent farming. It gives him a social status which, though lower than that of a peasant proprietor, is higher than that of a wage labourer. *Batai* farming gives the *hari* an incentive to effort because his income will largely depend on his personal efforts which is, of course, less than that of a peasant on his own freehold land. *Batai* cultivation is virtually a collaborative produce-sharing venture between the employer and the labourer in which both profit when times are good and both stand to lose when times are bad. *Vide,* The Report of the Hari Enquiry Committee, 1947-48, oppcit., ch. 1, p. 5..

order that the same may be recovered from the harvests during next year. Thus under share-tenancy, when a crop fails, a tenant at the worst may lose only remuneration for his labour and investment, but he is not asked to pay the value of the landlord's rents in addition.

Secondly, there is a greater scope for enhancement of rents under fixed rents system due to competition than under share-tenancy which is largely governed by custom. Personal enquiries made have shown that as a matter of fact, there is exploitation under both the forms of tenancy and, broadly speaking, under the existing conditions in the province, there is more thorough exploitation under fixed rents (which are pushed up to a high pitch) than under the produce-sharing system. This holds good especially in cases where the sharing is only in the principal crops and not in all the produce that is raised on the farm including vegetables and straw.

Thirdly, under *Palu* (sharing system) the landlord has to rely more on the honesty of the tenant and hence his good-will, but under fixed rents the tenant is entirely thrown at the mercy of the rentier in the matter of remissions, recovery of arrears and fixation of rents. Lastly, it is stated by some that in practice under crop-sharing, the security of lease is likely to be greater and the number of frequent objections are relatively less. The landlord's preference of fixed rents is based on the fact that his income from rented land is fixed and certain, he need not take the trouble of supervising and checking of fields and the work of the tenant, and he need not be particular about the trustworthiness of the tenant so long as he can effect recoveries from the tenant. Fixed rents give undoubtedly larger inducement for growth of tenancy and especially the increase in the number of absentee landlords among rentier class.

Chief Factors Which Influence the Forms of Leasing: In addition to the above considerations, there are other natural factors favourable to *Palu*. The chief factor that determines the forms of tenancy (*Palu* or *Koulu*) is the 'certainty of crop' which is determined chiefly by rainfall and irrigational facilities. In dry regions, where cultivation depends on rainfall which is uncertain, *Palu* is the common form of tenancy, as the ryots are not sure of the harvests and are difficult to contract lands on *Koulu* system. Poor soils, marshy lands, lands liable to be flooded by drainage water, rivers, etc., are cultivated on share tenancy.† Lands which are newly reclaimed or brought under cultivation due to creation of new irrigation facilities favour the method of produce sharing for some time, till the certainty of crop is assured (e g., some lands in Kalipatnam near Mogalthuru in Narsapur taluka). When the predominating form of tenancy happens to be a particular type of tenancy all kinds of farms, wet, dry or irrigated, are usually leased out under the same type due to force of custom. For example, although local conditions in a particular village slightly differ from conditions ruling in the neighbouring and surrounding villages, yet due to usage *Palu* is the common tenancy pattern in Kalugodu village in Rayadrug taluka (Bellary district).

---

† Cf. In Kanara *Palu* is generally associated with paddy fields, particularly *gaznis* or salt water lands and fields in the interior forest tract. The reason why *palu* is much in evidence on *gazni* lands is obvious. These lands are liable to be flooded by salt water. If the water can be kept out, the yield is excellent; but this cannot always be expected. Hence any lease agreement stipulating to pay a fixed amount of rent will lead the tenant to a very precarious situation in those years, when little or nothing can be grown. *vide*: Paper on 'Agricultural Tenancy in N. Kanara, by D. D. Desai, Proceeding vol. of the 4th conference of Indian Society of Agricultural Economics, 1943, p. 62.

Similarly, in upland villages in the deltaic districts, owing to the influence of the conditions prevalent in the neighbouring delta villages, the tenancy on dry lands has been also modified. The *cist* (cash rents) and *Makta* (fixed rents) systems are found rapidly displacing the sharing system.

In addition to nature of soil, rainfall, irrigation sources and density of population, the nature of crops grown, existence of poor ryots belonging to depressed castes and the character of the rentiers also govern the mode of tenancy adopted. If cash crops like cotton, tobacco and groundnut are raised or garden lands raised with vegetables and fruit, cash rents are more convenient from the point of view of payments. However, in some villages adjoining the Kistna river where tobacco, chillies and sweet potatoes are grown, the tenancy adopted is said to be *Palu* or share tenancy. Produce-sharing is obviously not suitable in case of gardens like fruit, chillies and vegetables for example, partly because the produce is plucked or harvested a number of times periodically.

Share-tenancy requires close supervision of a landlord. Therefore, if a landlord resides in a distant place or if he has not the ability or willingness to attend to periodical checking of fields and farming, he may be even prepared to accept somewhat lower rates of fixed rents in kind or cash. It is also maintained, if the rentier is a residential landlord or a good ryot having keen interest in farming but has given up cultivation due to other circumstances, he may like to lease out land on *Palu* as he can afford to pay close attention to his lands from day to day, although he is not in a position to cultivate himself. Theoretically, in a period of falling prices, when conditions are unstable and the fall in the costs of cultivation is less than the fall in the prices of farm produce, a tenant should prefer a sharing system to fixed rents, either in kind or cash and *vice versa*.

Palu may be popular in areas where the ryot population constitute a good number of persons belonging to labour and depressed castes like the *Gamallas* (toddy tappers), the *Turpu Kapus*, the *Gollas* (shepherds), the *Boya*, *Kurva* or the *Harijans*, who are more or less agricultural labourers or persons rising up from the status of farm servants without capital and resources to contract land on *Makta*, or *Cist* systems. They are otherwise known as share-croppers. Seeds, manure, cattle, etc., are supplied by landlords and cultivation is carried on by these croppers on *Palu* or on a share for the contribution of their labour.

Extent of Share-tenancy in Madras Province: Share-tenancy is the widely prevalent tenancy pattern in the Ceded Districts. It is also obtained in the upland talukas of the districts of Nellore, Guntur, Kistna, West Godavari, etc., in the Northern Circars. *Palu* is the popular tenancy type in the many Zamindari estates and hilly and agency tracts. Share tenancy under the name of *Varam* is also a chief type of tenancy in the Tamilnad and Kerala. *Varam* may co-exist with *Kuthagai*. It is no over-estimate if it is stated that about half the area cultivated under tenancy in the province is cultivated under produce-sharing system, though the recent trends appear to replace gradually the *Palu* or *Varam* by *Koulu* or *Kuthagai* which is quite consistent with the fact that tenancy is more prevalent in wet lands than in dry lands. It means that the landowners are either unwilling or unable to supervise farming of their lands or, in other words, the divorce of landowning from cultivation is increasing.

Sharing of Expenses of Cultivation, etc.: Generally the landlord takes rent and pays only the Government revenue demand on land, while all the expenses of cultivation are to be borne by the tenant. The landlord may or may

not supply manure, in the latter case, the tenant has to manure the land also. These are only the broad features of the situation, for, in practice, expenses of cultivation as well as Government *kist* (land revenue) on land are sometimes shared wholly or in part by the landowner and tenant[1]. As this aspect of share-tenancy is considered important some cases are cited in the light of the investigations made by the present writer. It was stated by a *Kshatriya* ryot examined at Adoni (Bellary district), that on the dry land leased out by him on *Koru* (sharing), the cost of seeds, expenses incurred for weeding, reaping and harvesting were shared equally between him and his tenant. Where dry lands are rented out on *Sagubadi* or *Gutha* (fixed rent in kind), if the rentier supplies half the seeds, he may be entitled to a share of half the straw in addition to rent. In some cases the tenant has to bear also half the amount of land revenue on the rented farm. If water is to be baled out from a well, the leather buckets are to be supplied by the landlord which are to be returned to him at the expiry of the lease. In Kandukur taluka in Nellore district, under *Palu*, as above, expenses of reaping and harvesting are shared equally on dry lands, but on lands grown with groundnut the cost of seeds is also to be borne equally. The same is the case in Kalugodu village in Rayadrug taluka If the landlord does not contribute any amount for expenses of cultivation, the tenant has to bear all expenses, but he gets a higher share in *Palu*. Manure is generally supplied by the landlord on dry lands. In many delta villages of the Circars, on wet paddy lands, if there is second crop paddy (*Dalwa*), the tenant has to bear half or full Government *Kist* on second crop, paying half the produce to the landlord, the rent on land, of course, fixed in *Makta*.

1. See chapter iii.

The practices in Udayagiri taluka in Nellore district are noteworthy. The landlord bears half the costs of cultivation subsequent to harvesting both on wet and dry lands. If the landlord also supplies half the manure, he is given half the share of the straw besides his *Varam* rate. If he supplies all manure, he gets not only half the share in produce and straw under conditions of lease but also half the share in all additional income by way of vegetables, etc., grown on land in the whole year. But if no manure is supplied, naturally he cannot get any straw from tenant according to the prevalent practices. In Kanigiri taluka, on some garden lands, the landlord pays *Kist* (land revenue), supplies manure and seed and bears also the ploughing charges. The tenant bears the rest of the expenses of farming and the net produce is divided equally. But where the landlord only pays *kist* and supplies manure and the cost of seeds, and all other expenses of cultivation inclusive of ploughing are to be provided by the tenant, then the tenant appropriates two shares against one share of the produce to the rentier. When the inamdars in Kistna and Guntur districts let out their inam lands on lease, they do so after ploughing the soil. It is designed to claim for them both the rights of the *Kudivaram* and *Malevaram* (the right to collect rent and the right to cultivate). If the landlord accords special manurial treatment to land, higher rates of *Palu* or *Makta* rents are charged. It is said that in Periyar area (Madura district), a landowner would check personally the amount of manure applied to his land by the tenant lest there should be any exaggeration on the part of the tenant in the number of cart-loads of manure applied to land, while fixing rents.

Factors Leading to High Rates of Share-tenancy: Some of the chief factors which lead to high rates of sharin

may be summed up[1] as follows. They are the fertility of land, the degree of ease and security of obtaining irrigation water, and the proportion of manure, seeds and other expenses of cultivation, like ploughing, reaping and harvesting, contributed by the landlord. The other factors are competition among tenant population and the existence of share-croppers belonging to a low economic standard, especially from the depressed castes of rural people. These favour higher rates of *Palu* to the landlord, at whatever degree of enhancement in rents is possible under share tenancy.

---

1. See for details chapter iii.

CHAPTER III

RATES OF PRODUCE-SHARING—A SURVEY OF FARM PRACTICES

Causes for Variation in Shares.—The shares of landlord and tenant vary with variations in the existence or availability of the factors, natural and psychological, already indicated. Changes in rates of sharing occur on account of variations in the nature of land, irrigation facilities, the sharing of seed, manure and other expenses of cultivation, etc. As Prof. Buck observes, the amount given to the landlord depends upon the crops requiring different amounts of labour and capital, upon the varying degrees of productivity of the land, and upon the dissimilar amounts of capital supplied by the landlord. However, adjustment is not often wholly successful because in many cases the systems were adopted hundreds of years ago and have not been altered to meet changing conditions[1]. An appraisal of these rates of sharing on different kinds of land, *viz.*, wet, dry and garden, in some provinces and especially the Andhra districts investigated by the author will be informative of local conditions in various parts of the country and of value, although largely descriptive.

SECTION I

POSITION IN ANDHRA

(a) **Share Tenancy on Wet and Garden Lands.**—Wet lands are generally leased out in the deltaic regions for a

1. *Vide.* Farm Ownership and Tenancy in China, by J. L. Buck, Shanghai, 1927, P 11.

fixed annual rent in kind. But where harvest is not certain due to submersion, salinity or inadequate irrigation facilities, the land is leased out for a share in the produce. Sharing half and half in the produce is common. In certain cases, rare as they are, if lands are very fertile 2/3 produce is given to the rentier and 1/3 to the share-tenant. The land revenue is paid by the landlord and all the expenses of cultivation are borne by the tenant. The second crop produce, if any, is enjoyed in full by the tenant.

West Godavari District.—In certain villages in Ellore taluka, sharing the produce in the proportion of 7 : 3, 2 : 1, 6 . 4 or 5 : 5 is also prevalent. Straw is divided equally or in the above proportions. Produce of crops like red-gram and black-gram usually raised in field bunds are also shared equally. No rigid system of sharing prevails in case of vegetables, and the produce is enjoyed by both landlord and tenant according to 'necessity'. In some villages of Bhimavaram taluka the tenants pay 2/3 of produce of paddy, hay, grass, etc., to the landlord, and in addition, about two bags of paddy per acre out of the 1/3 share accruing to the tenant. The system of sharing is only in respect of the first crop. As for the second crop, granted once in three years by rotation, the produce is shared in this taluka in proportions of 2/3 to the rentier and 1/3 to tenant, while in some cases sharing of both produce and taxes on second crop equally between landlord and tenant is found. Broadly speaking, in Bhimavaram taluka, the shares on wet land vary from ½ : ½, 2/3 : 1/3 and 3/5 : 2/5 of the produce between landlord and tenant. These proportions may apply for division of second crop and in some cases in all sorts of produce raised. In certain cases, the produce other than the first crop may be shared equally. The sharing of ½ : ½ principle may be

common for poor lands and lands liable to submersion. In other delta talukas of the West Godavari district, as Narsapur and Tanuku talukas, the system of sharing on wet lands is not common. It is an exception in Tanuku taluka and so is the case with talukas of Gudivada and Tenali in other districts. Where the *Palu* exists, say on lands subjected to certain handicaps, the features of sharing are some of those stated above. This may also hold good with the semi-delta talukas of Tadepalligudam and Kovvur.

Krishna and East Godavari Districts: In the same way, the system of share tenancy is not in vogue in deltaic villages of the districts of East Godavari and Kistna. The exceptions are numerous in wet lands of upland tracts. In the upland villages of Bezwada taluka, share tenancy may be seen on lands under tank irrigation, as irrigation under tanks is precarious, the tanks largely dependent on the monsoon. Equal division of the produce is the practice, the landlord paying Government demand on land, while the tenant bearing expenses of cultivation and getting hay. In the upland taluka of Nandigama, wetlands irrigated with paddy are usually cultivated by the owners themselves. If they are leased out the shares are ½ : ½ in both paddy and hay. There are also instances when a tenant is to pay 2 shares out of 3 or, in other words, 2/3 both in produce and hay to the rentier. In fact, the irrigated lands in the dry villages are rarely let out on fixed rents in kind. In the sub-division of Jaggayampeta (Kistna district) the rates of rents are relatively low, as the lands are in many cases held under inams. Sharing system exists in the proportions of 50% : 50% or 66 2/3% : 33 1/3% of the produce; straw and some expenses are also shared in the same proportion. *Palu* is found in some villages in the talukas of Bandar and

Divi, especially on areas brought newly under cultivation. They are found in tail-end villages of Kakarlamudi, Tallapalem, Ginjeru, Konur and Munjulur in Bandar taluka where the produce is divided equally, the tenant getting in addition the whole straw for himself, as a set off against all the expenses of cultivation to be borne by him. No sharing is generally found in Gudivada taluka. However, sharing system may be found in some less fertile wet lands directly under canal irrigation in the talukas of Peddapuram, Cocanada, Razole, Rajamundry, etc., the share of landlord varying from 1/2 to 2/3.

Guntur and Nellore Districts: The sharing system is uncommon in the deltaic talukas of Nellore and Kovvur and in some of the wet paddy growing villages of the Kavali taluka. Other talukas of Nellore district as Kandukur, Kanigiri and Udayagiri and some of the upland talukas of Guntur district as Ongole, Sattenapalle, Palnad, etc., as well as the four Ceded Districts are all dry and the extent of wet land is negligible. Hence problems concerning these are such as pertaining chiefly to dry lands irrigated by private (or public) wells and tanks or by rainwater. One important feature of these is such lands are usually farmed by the landholders themselves. Generally, the share of the tenant is larger than that of the landlord owing to difficulties of cultivation. Ordinarily the shares are ½ : ½ and 1 . 2. But in case of garden lands where baling of water from well or tank is involved, the proportion is 1 : 3, the landlord getting only one out of four shares. It is said, due to baling of water even a big landlord cannot cultivate more than 2 to 3 acres of wet land in some of those areas. Therefore, in many villages in the Ceded Districts, usually the size of the areas of cultivation of irrigated wet and garden lands vary from one acre to a plot of 5 cents and even less.

Thus under the Hajeepuram project in Kanigiri taluka tenants give 1/3 produce to landlord, keeping 2/3 produce and straw for themselves, whereas on garden lands the landlord pays the kist and supplies manure, the produce being shared in the ratio of 1 : 2. *Palu* is widely in vogue in Kandukur taluka but straw and vegetables grown on ridges and margins of fields are mostly appropriated by the tenant for himself. If any extra payments of straw, vegetables, etc., are paid to landlord, it is stated that it depends on the pleasure of the tenant or by custom without any stipulation being made to that effect. For garden lands, irrigated by well, one fourth of the produce or cash approximately equivalent to that proportion is paid. In the interior taluka of Udayagiri, it is common to find the landlord supplying full or part requirements of manure and bearing a portion of expenses of cultivation. In case of garden, dry lands and wet lands raised with irrigated dry crops the produce and straw are divided equally between landlord and tenant under *Palu* or otherwise known as *Koru*.* If no manure is provided by landlord, the tenant does not give straw to him. The rates of sharing may vary with variations in the apportioning of costs of cultivation among landowner and tenant classes. Cultivation of garden lands with millets is said to be a losing proposition in this taluka and hence there is not much competition among tenants for such lands. Higher shares under *Koru* according to tenants are also found in the taluka, for example at Nandipad village, the rates of sharing on garden lands are 1 : 1½, while at Polireddipalli the proportions on garden lands are 1 : 2.

Ceded Districts: In the fertile taluka of Kadri, Gutti, Tadpatri, and Anantpur both the systems of share-tenancy and

* "Koru"=Palu or varam=Batai system=share tenancy.

fixed tenancy are prevalent. Under the sharing system the shares are usually ½ : ½ or 1 : 2 on wet lands under tanks. On lands cultivated under 1 : 2 *Koru*, if water is to be baled out, the landlord has to supply leather buckets to the ryots in addition to paying land revenue. In villages like Rangachedu, Kalugodu and Bhupasamudram there are 1 : 2 shares to landlord and tenant on wet paddy lands, the tenant getting besides all straw for himself. In many talukas of Bellary district except the very poor talukas as Rayadrug, Hadagalli and Harpanahalli, *Sangoru* (sharing half and half) is obtained on wet lands. In such cases, straw and the expenses of cultivation are shared equally. In the Raydrug town, garden lands raised with chillies, brinjals and other vegetables are leased out on 1 : 3—*Koru*. In Chittoor taluka the proportions of ½ : ½ and 1 : 1½ on pure wet under tank, and 1 : 2 on lands irrigated under well are in vogue under *Varam* tenancy. On plots cultivated with paddy or sugarcane the *Varam* of 4 : 5 is noted in Yadamari village. In all these instances in Chittoor taluka, straw is also shared in the same ratio. In Madanapalli taluka ½ : ½ sharing exists but the share to the landlord in straw is only ¼ and he also bears the cost of half the quantity of seeds required, while all other expenses of cultivation are to be found by the tenant alone. Thus this is more extracting than the *Varam* rates prevailing in Chittoor taluka.

Vizagapatam District: In the ryotwari talukas of Vizagapatam district wet and irrigated dry lands are rented in the talukas of Palkonda and Sarvasiddi at the rates of 1½ : 1 and generally ½ : ½, in all sorts of produce and straw. But no share is given to the landlord in crops meant to serve as manure to the farm and fodder to the cattle such as *Pillipeera*, *katti*, etc. But in the village of Jaldanki (Kavali

taluka) it is stated that equal share in all produce inclusive of fodder crops is to be given to the rentier.

(b) **Features of Sharing on Dry Lands** :—The features of *Palu* (*Koru* or *Varam*) on pure dry lands bear a close resemblance to those outlined with regard to wet and garden lands. In delta villages, the dry lands on which turmeric, tobacco, chillies, sugarcane, etc., are raised, are rented out in money. The tenant bears all expenses of cultivation and pays rent. In dry villages formerly *Palu* system used to be the most common form of tenancy on dry lands, but recently, except for lands raised with good crops, in the dry lands grown with cotton, groundnut and in certain cases with millets too, cash rents appear to be more and more coming into vogue. The rates of *Palu* on dry lands, broadly stated, are not so numerous as in case of wet and garden lands. Usually the shares on dry lands are ½ and ⅓; the land revenue is paid by landlord and the costs of cultivation in full or a large part are borne by the tenant.

Ceded Districts : In case of very fertile lands of the village like Kouthalam and Harivanam in Adoni taluka sharing in the ratio of 3 : 2 or 2 : 1 is found and straw is also divided in the same way. But they are not so common. For poor lands the *Koru* rates on dry lands may be 2 : 3 or 1 : 3, or in case of wastelands the rate may be even 1 : 6 in Bellary and Anantpur districts. In the Chittoor district *Varam* is popular, the *Varam* for areas grown in millets and groundnut is ½ : ½. In Tamballapalle village and also in a few villages in Adoni taluka, the tenant is to pay over and above the *Varam* a sum of Rs. 1-4-0 to Rs. 3 to the landlord as rent. The collection of cash in addition to the *Varam* share in kind, appears to be for payment of land revenue which the landlord has to pay to Government.

Dry and Upland Tracts of Northern Circars: In the dry and upland tracts of Northern Cirkars, the conditions of leasing dry lands do not deviate widely from those described with regard to the dry lands of the Ceded Districts. In the ryotwari taluka of Vizagapatam district, the dry lands are usually rented out in *Cist* (cash); it is especially so in respect of lands grown with commercial crops. If dry lands are leased out on P*alu*, the P*alu* rates are ½ : ½ in all the produce raised. In lanka lands in the East Godavari district, the Izaradars sublet lankas cultivated with tobacco and millets on "sharing". The rates of "sharing" for tobacco are 2 : 1, though it is gathered that rates of 3 : 1 and 4 : 1 are also found on dry lands in Razole taluka. In Peddapuram taluka besides ½ : ½ rates, rates of 2 : 1 are also obtained which are said to have been raised and have been converted into fixed rents in kind in view of the rise in prices of agricultural produce.

In Dharmajigudem in Chintalpudi taluka, rents are generally in kind, the rates being 3/5 : 2/5 and 2/3 : 1/3 and equal division of cattle-feed in all the cases. There are also instances where the rentier is not entitled to any straw in normal years, except in years of crop failure when both straw and grain are shared equally in order to enable the landlord to make up his loss in grain. In Chintalpudi taluka even for dry crops like Cholam, red-gram, green-gram and black-gram, rent is half the gross produce. The cost of cultivation is also shared equally, except for ploughing which is carried on by tenant himself. Nevertheless, the Government Cist is paid by the landlord alone. In case of horse-gram the sharing is 1/3 : 2/3 ; the expenses of farming are shared likewise except for the costs of ploughing and seed which are entirely borne by tenants. In the agency taluks of

Bhadrachalam and Polawaram, generally, dry lands are leased out on cash rents.

If some lands are given out on *Palu* both straw and produce are shared equally, the landlord paying Government Kist and the tenant bearing costs of cultivation. In fact, if a landlord stays at a distant place and he has no cattle or agent interested in straw, no share in straw is insisted upon by the rentiers in all cases. In Nandigama taluka, sharing system is common in dry villages. The produce and expenses of cultivation are also shared equally in some cases. There are also instances when the landlord bears Government Kist and the tenant cost of seed, while all other expenses are borne equally among landlords and tenants.

Practically no rent is paid on certain tracts of dry land in Divi taluka, as they are very poor and sandy and not fit for growth of even good grass. There are also poor lands in talukas like Kanigiri and Udayagiri, where the lands are so poor, and the ryot population thin, as in some talukas of Cuddapah and Anantpur districts, it is not worthwhile leasing dry lands on *Palu*. Therefore, they are usually leased out in money, the rent varying from Rs. 1 and upwards per acre according to fertility. In Kandukur taluka, $\frac{1}{2}$: $\frac{1}{2}$ ratio is common. But whoever (landlord or tenant) manures adequately the field at his own expense would get 2/3 of the produce, while the other gets 1/3.

In conclusion, it mny be stated that, broadly speaking, on dry lands all the three forms of tenancy *viz.*, fixed rents in kind, fixed rents in money or sharing of produce are found prevailing in many parts of the province, though from the order of importance cash rents occupy first place, while next stand share-tenancy and *Makta* rents in order.

SECTION 2

POSITION IN OTHER PROVINCES

As pointed out earlier, 75% of the area held by tenants-at-will in the Punjab is cultivated under the *batai* system. In canal colonies the usual practice is to divide the produce as well as land revenue and water rates equally between landlord and tenant, the tenant bearing in addition all expenses of cultivation except payments made to labour in kind. In the well-irrigated regions where considerable labour has to be put forth for water-lifting from wells, the share of the tenant is 3/5 of the produce while the landlord gets 2/5 who provides for the capital investment involved in the well and the Persian wheel or for its heavy repairs, pays land revenue and at times shares the cost of seed and manure. The usual type of *batai*, characterised by division of produce by half and half, the landlord paying land revenue and the tenant bearing the entire costs of farming, is found in Barani area. But this is not always the case everywhere. For example, in some areas under canal irrigation where there is a keen competition among tenants to lease on lands, the share of the landlord amounts to more than half by way of *malikana* and other deductions. But, on the contrary, in western districts where there is a dearth of tenantry, as for instance in the Multan district, tenants get 3/5 of the saleable produce of land and practically the whole of wheat *bhusa* and fodder on farms irrigated by canals in summer and by wells in winter.[1]

1. *Vide*. paper on Agricultural Tenancy in the Punjab by S. Kartar Singh, Proceedings Vol. of 4th Conference cit. opp. pp. 85-86.

Note: However, in the Okara tahsil of Montgomery district, where irrigation by canal water is more profitable than irrigation from wells, the share of the landlord is only one-fourth. In the Rewari tahsil of Gurgaon district, where well-irrigation is predominant, usually

In Bengal about 5.6 m. acres or about 20% of the total arable land is cultivated under the *Bargadari* system. Half-share is the most predominating one, all costs of cultivation being met by the *bargadar* who is a tenant-at-will. The aggregate income of the landlords who lease out lands on *bargadari* system in Bengal was estimated as over Rs. 9 crores at the estimated average rate of rent of Rs. 25 per acre expressed in money. The Floud Commision recommend to confer limited occupancy rights to *bargadars* and the 'share of the produce legally recoverable from them should be one-third, instead of, one half although it is recognised that there would be some difficulties in enforcing this. In view of many practical considerations, the committee consider that it would be desirable to discourage rather than to forbid subletting and they recommend that the ' law should be amended to provide that in future the rent of an under right will not be more than one-third in excess of the average rent of his immediate landlord, if the latter pays a lump rent; or if he pays different rates for different classes of land, not more than one-third in excess of the rate paid for the class of land sub-let.[1]

An interesting account is given by Dr. Radhakamal Mukherjee on produce-paying tenancies in the Provinces of Bengal and Bihar. "A very important class of cultivating

---

a third is paid to landlord. The landlord's share varies from ¼, 2/5 *to* ½ according to quality of irrigation. Generally, the expenses of water-lifting are shared by the tenant and Government demand on land and water rates is shared in the same proportion as the produce. In the insecure, unirrigated areas of Punjab, the most general rate as in Hissar and Rewari is 1/3 in grain and fodder. In the Rewari tahsil the rate on good soils sometimes may be as high as 2/5 or ½. Vide Proceedings Vol. 4th Conference, Ibd, pp 111-112.

1. *Vide*. Report of the Land Revenue Commission, Bengal, Vol. 1, 1940. pp 69—70.

tenants which is rapidly increasing throughout Bengal are *bhagchasis, bhagkars*, or *bargadars* (Eastern Bengal), a species of *metayer* tenantry who cultivate lands under *jotedars* or *chukanidars* and share the produce in certain proportions with their landlords. The latter generally receive a half-share (hence the term *adhiar*), or, as in the case of the cultivation of such crops as potato and sugarcane, two-thirds (hence the term *tebhaga*). They usually supply cattle, plough or seed and this share of the straw is generally half. The manure is supplied by the landlord, the *bhagkar* carts it to the field or pays the expenses of carting. In West Bengal, where the crops were relatively uncertain on account of flood or uncertain rainfall, the *bargadari* tenancy was natural and almost universal......The following modes of division of crops were found by me in the course of a survey in Birbhum district: (1) *Kirsheni* or *Tebhaga* in which the actual cultivator gets one-third of the crop. The costs of cultivation and of repair of implements, as well as seeds and manure are supplied by the cultivator. Usually seeds and manure, as well as rice for home consumption, are advanced by the proprietor who recoups these by receiving a larger share of the produce on appraisal on harvesting. In case of rice an advance of six *bish* will be counted as nine *bish* on account of interest. (2) Sometimes the cultivator obtains 8/20 or 9/20 and the proprietor the remainder of the crop. All the costs of agriculture, including seeds, have to be provided in this case by the cultivator. The proprietor and the cultivator equally contribute towards the supply of manure. If the proprietor does not supply any, he foregoes his own half-share of the straw. A variant of this mode of division found in certain parts of Murshidabad is 4/11 of the crops of the peasant, 7/11 for the *malik* (3) *Panchdadhey*, which means 2/5 for the cultivator and 3/5 for the *malik*,

and is in vogue usually for middling grades of soil. (4) Half and half division is adopted usually for the worst kinds of soil depending entirely on rainfall for their produce. Such lands are picturesquely described in the peasants vocabulary as *Indra Prashadi* or gifts of Indra, the God of Rain. Both paddy and straw are divided equally; but, if manure is supplied by the cultivator, the proprietor is not entitled to any straw."[1]

In Bihar under *Batai* the shares vary from ½ : ½ to 9 : 7. But recently the proportions were fixed by law as 11 : 9 between tenant and landlord. Under the *Danabandi* system the standing crops are appraised before harvest and the landlord's share is paid in kind or money at current market prices after appraisal of yields.[2] In U.P. the area cultivated under *batai* or *kankut* (rent paid in kind by appraisement of standing crop) is very small as compared to the area rented on cash system occupying about 5% of the total rented area in the province. In the N. W. F. P. also share-tenancy is widespread, the shares varying from ½ : ½ to ¼ : ¾ between tenants and landlords. The landlord sometimes contributes equally towards the cost of seed, manure and well-pots but

---

1. Land Problems of India, by Dr. Radhakamal Mukherjee, 1933, Ch. viii, pp 99-100.

Note: In the produce-sharing tenancy in Murshidabad the seeds are supplied by the money-lender and the *bhagchasi* in the same proportion as they divide the yield. In case of 2/5 share, the manure is supplied by the *malik*; in case of 9/20 share, the manure is equally divided between the *malik* and the partner; while in case of half the share manure is supplied entirely by the *bhagchasi*. The *bhagchasi* has, as a rule, to find the cattle and implements of agriculture. When he cannot provide these but supplies simply the labour of goading the bullocks (hence the term *pachune bhag*) he gets only 1/8 of the crop and no straw.

Vide. Ibid., pp. 101-2.

2 cf. "Under the *batai* system, the division of the produce is made where the grain is thrashed out. Under the *Bhaoli* system, the standing crop is appraised and the due proportion of the crop, after

when he gets a share less than half, the tenant bears a part of Government dues as land-revenue and water-rate. The landlord has generally a share in the straw besides grain.

Croppers of Europe or in U.S.A. *vs.* Share-tenant in India: In this connection it is important to note the exact nature of share-cropping and particularly the status of the so-called '*cropper*' of other countries as compared to the share-tenant generally in India so that the one may not be confused with the other.

For instance, the 'cropper' in U. S. A. is a tenant who cultivates land without supplying any of the working capital and may be almost taken as a labourer who takes a share of the produce as his wages. Land, house, mule, plough, manure, etc., are supplied by the landlord and takes half of the produce as his share. This system is found especially in cotton tracts in the south. Many of these croppers work on plantations under the supervision of overseers and differ but slightly from wage-earners in the sense that they receive a share of the crop as wages. In fact, a cropper may be considered practically as a labourer who receives only a share of

---

customary deduction, handed over to the landlord on the basis of the appraisement. It is usual for ryots to take the entire yields of certain crops which are difficult to divide, such as sugarcane, tobacco, etc., and to pay a cash rent for the area so cropped in the year. Other sarieties of produce-rent are *mankap*, where the ryot has to deliver a certain number of maunds of a specified crop for each *bhiga* of land; *mahunda* where the ryot delivers a certain number of maunds for his entire holding; and *chauraha*, where the payment is made in cleared rice and not in unhusked grain⋯ ⋯The characteristic feature of the *batai* or *bhaoli* system is that the irrigation water is almost always supplied by the landlord at his own cost⋯⋯Since his income depends upon the increase or decrease of the yield, he also exercises a general u pervision over all the agricultural system though it is far less than in Bihar and Orissa". *Vide* Land Problems of India, 1933, opp. cit, ch viii, pp 127-8.

crop for his labour since he has little independence of operation and works entirely under the complete supervision of the landlord. In some legal cases, in the south, it has been held that the status of these croppers is, in fact, that of labourers and not of tenants[1]. With the abolition of slavery in U.S.A., tenancy has tended to increase in the south of America. When slavery was abolished, the landlords found that the labourers were much less reliable and less easily controlled than under the institution of slavery. With a view to check large-scale migration of labour from southern to the northern states and also to lessen the bother of close supervision of the work of the labourers, it was found that it would be convenient if some kind of a share in the wages was fixed as wages for the labourers. As a result, the cropper system has developed[2]. In fact, the bulk of the tenant farmers and croppers belong to coloured people as compared to the white farmers, e.g., the percentages of tenant farmers and croppers to all the farmers in the U. S. A. in 1920 in the *north* and the *south* were 28.7% and 3% (white farmers) and 61.8% and 13.4% (coloured); 32.1% and 6.8% (white) and 62.8% and 13.4% (coloured) respectively.

Obviously the character and the position of the bulk of the share tenants altogether differ in India for the following reasons. The number of cases where farming is carried on by a labourer under the complete supervision of the landlord (a *sowcar* or an agriculturist) against a share, say 1/6 or 1/7th of the produce, the landlord supplying manure, implements, animal power, etc., are rare and fast disappearing in India. In fact, the share-tenants not only bear costs

1. *Vide*. Farm Tenancy in U. S. A., 1924, ch v, p 52.

2 *Cf*. The Social Economics of Agriculture, by W. Gee, New York, 1942, Ch viii, p 198.

of seeds, manure, etc., (partly or fully) and pay for occasional labour, but a good many possess their own agricultural implements and, if possible, the work animals. Division of produce in equal proportion with the landlord is the ubiquious and predominant practice, although in some cases the tenant's share may be more or less than half the produce according to special circumstances or custom ruling in the regions concerned. On the other hand, the lessors in India generally, and even a large number of those who lease out their lands on share-tenancy, do not appear to take a very keen interest in the supervision of the fields and the farming operations except perhaps at the time of harvesting, like the landlords in the U.S.A. or in Europe. Nor can we trace the origin of share-tenancy in India to traces of slavery as in the southern states of America. It is indeed a time-honoured and a respectable mode of farming with us for centuries. It is clear, therefore, that without serious violence to language the share tenants in any part of India can be justifiably called 'croppers' of the American type.

CHAPTER IV

FIXED-RENT SYSTEMS

The fixed-rent system known as the *koulu* or the *kuthagai* (theka) may be subdivided into two classes (a) fixed rent in kind or grain called the *Makta* system and (b) fixed rent in cash called the *cist* system. As a matter of fact, many variants of the first (the *Makta*), or a combination of the two types, are found in some parts as outlined in the chapter.

The Makta System (Fixed-rent in Grain or Crop): With the increase in the number of absentee landlords, especially due to acquisition of land by business and professional interests, the unprofitable character of cultivation as a consequence of the bitter experiences during the great depression, as well as the suspicion of landlords about the trust-worthiness ot share-tenants in the matter of division of produce, and the ease with which the Makta-rents can be pushed up as against share-rents by landlords under competitive conditions, the *Makta* as a tenancy pattern has been becoming increasingly dominant. Moreover, the advantages of expansion of irrigation works, intensive cultivation of land due to improvements in agriculture with regard to crops raised, crop rotation, manuring of land and methods of farming in the light of advance of scientific knowledge and propaganda appear to have favoured fixed-rents as against share-tenancy. Throughout the delta areas and in many parts of the upland tracts, where irrigation from tanks or supply of rain water is assured by suitable improvements, the *Makta* has replaced or is replacing the leases of the *Palu*

pattern[1] in the Province wherever possible. Fixed-crop rents are in vogue in many villages in the Ceded Districts and in the uplands of the Northern Circars.

The Makta or Kattuguthagai System: Under the *Makta* system, instead of sharing the produce with the tenant in agreed proportions, the aggregate quantum of which is liable to vary according to harvests, honesty and hard work of the ryot. the landlord demands a fixed quantity of the produce irrrespective of the yield obtained by the tenant on the farm. He places his farm entirely under the control of the tenant and he is satisfied if the rents are paid regularly according to the conditions of the lease without bothering himself as to how the farming is being done by the tenant and what income the tenant is ultimately getting by cultivating his land. The period of lease may be for 1, 2, 3 or 5 years. One advantage of this kind of tenancy to the landlord is, assuming that the prices of farm produce do not fluctuate widely, he will be in a position to know his income from land and can plan his family budget for the year accordingly. His work, so to say, is simplified from that of a farm manager or a partner in the farming enterprise to one

1. Cf. The 'Pare' system in the Tinnevelly district as described by B. Natarajan in the resurvey of Gangaikondan Village seems to be more in the nature of a system of payment of labour by way of a share of produce for services rendered for watching crops, watering, etc., than a type of *varam* tenancy. The so-called tenant is required to watch crops, water fields and look after bunds. His duties are so far and no further for which a share of one marakal or Kurni for every Kottah of yield (Kurni=1/21 of a Kottah) besides tips of a rupee and half on marriages, and presents on festivals like Pongal and Deepavali are given to him. All the other operations of farming are carried on by the landlord. Obviously, such methods are resorted to when the landlord could not secure the services of adequate number of permanent farm servants or farm hands attached to him.

of a rent-collector. At the other end, the merits and handicaps of the system are obvious from the point of view of the tenant. Whatever surplus that remains after payment of the rent to the landlord is entirely his. But, at the same time, it means also a liability on his part to pay a fixed rent to the rentier, whether the land yields or the crops fail. However, in one way he is happy, as he is free from the frequent interference or bullying of a landlord in cultivating the farm and harvesting of crops. It is said that a residential rentier often causes more annoyance, trouble and tyranny to a tenant than a non-residential or absentee-landlord.

Factors Governing Settlement of Rents † :—Grain rents are usually slighty lower than money rents, as there is less chance of fraud or evading payment. Fixed rents are only paid in grain in case of wet lands. The landowner pays *kist* and the tenant, as before, finds seeds, cattle and labour for cultivation. The rates of *Makta* are agreed to according to custom and usage ruling in the village and in its neighbourhood. But there will be a good amount of higgling on the part of landlords and tenants in settling the rates of *Makta* or the amount of money to be paid to the landlord. The nature and fertility of land, its normal yield and the normal costs of cultivation are taken into account both by landlord and tenant in determination of *Makta* rents. In the process, naturally, the landlord is prone to exaggerate the fertility and its productive power and may assert that provided the prospective tenant does good farming his farm can yield much larger output than that reaped by the previous tenant, emphasising, if any, the special advantages

† See 'Factors entering into determination of rents,' etc., Vide: The Agrarian Problems of Madras Province, by V. V. Sayana, Madras, 1949, ch. viii.

of his farm. The tenant, on his part, lays stress on the costs of cultivation and the risks of farming, giving a conservative estimate of the produce from land. Comparative figures of yields and expenses of cultivation on adjacent plots or on similar lands in the neighbouring villages may be employed to the advantage of each. As the landowner is empowered with a better bargaining power than the tenant, his view-point ultimately will be the deciding factor, if at all the tenant is anxious to rent on the farm.

Leasing of Cocoanut Gardens: One interesting item to be noted in this connection is that of the leasing of coconut gardens, particularly in the East Godavari district. In Konaseema (the Amalapuram and Razole talukas which are abundant in cocoanut trees) the cocoanut gardens are generally not let out even by the non-cultivating landowners, for very little effort is involved in looking after them when once they attain the fruit-bearing stage. Where tenancy exists, the leases are made from year to year, as the return depends on the number of fruits plucked from the trees on a unit of land. Broadly stated, above the aqueduct, the cocoanut gardens are rented out at the average rate of 2,000 to 2,500 coconuts per acre, whereas in villages like Manepalle rentiers claim 4/5 to 1/2 of the monthly yield, (usually cocoanuts are plucked once in every month). The difference may be explained by the fact that the yield of cocoanut topes above the aqueduct is not more than 2,000 numbers per acre, while the yield below it is 4,500 per acre. In case of those above the aqueduct and below Razole, the return to the landlord is at a fixed lump sum of about 2,000 to 2,500 nuts per acre, while in the tract between these two places the rent is a proportion of the produce.†

† Cf. The cocoanut gardens in Kanara district are leased out on *nadagi*, a semi-permanent lease. The landlord leases out the gardens

Asara-Bil-Makta and Anchana Systems: The chief defect with *Makta* system is, if crops fail the tenant is unjustly penalised to the extent of rents payable to the landowner, while, at the other end, under *palu* system, the landlord may be duped by a crafty tenant of his legitimate share of the produce by playing fraud in a number of ways. To rectify the drawbacks some devices are made which are found in vogue in some parts of the province. They are found in the *Asara-Bil-Makta* and *Anchana* systems prevalent in Vizagapatam district.

The Asara-Bil-Makta is a variant of the *Bil-Makta* (or simply *Makta*) according to which the tenant, as usual, has to pay to the landlord a fixed rent in kind, other conditions being equal. But in a year when the crops fail, the tenant has to pay only half the share in the estimated yield of the first crop. Under this arrangement, the tenant can seek redress (*Asara*) from the landlord by getting a reduction in the level of rents originally agreed upon in case of bad harvests, but the landlord cannot claim a higher share than what is originally fixed in case of a bumper crop in any year. This clause appears to be very essential for the tenants to save themselves from utter ruin in case of crop failures, especially when no system of remission of rents, by custom or convention or law, éxists on the part of the rentiers.

permanently to a tenant after planting the saplings. The tenant looks after the young stock till their fruit-bearing stage, the cost of rearing the trees and land revenue being borne by the landlord. When the trees begin to bear fruit, the tenant is entitled to a share varying from 1/5 to 1/2 (1/5, 1/4, 1/3, 2/5, 4/5, 1/2) of the produce. The lease is called *Sulgi*, if the lease is contracted by a tenant only after the fruition stage of the trees. The tenant cannot be ejected except for the reason of damage or loss to the garden due to neglect.

A similar practice is also come across in Nellore district, where a clause is put in the lease deeds, (if the leases are not written, it is practically understood) stating that in case of bad harvests, the rents are to be settled in accordance with the custom and practice commonly prevalent in the village. It obviously means that *Makta* rents are to be paid in all years except in bad ones, when the produce is to be shared between the landlord and tenant according to rates of *palu* prevalent on such lands including or excluding straw. Similarly in parts of Tanjore and Tinnevelly districts, even though a farm is leased on *Kuthagai*, when crops fail, produce is shared according to *varam* or the landlord would agree to a reduction or remission of rent.

The *Anchana System* (or the system of crop-appraisement)* as the word connotes, implies division in agreed proportions of the produce, the yield of which is estimated before reaping the crop. In fact it may be described as *Palu* system with improved mechanism in order that no scope is left for fraud on the part of the ryot in sharing of the produce. The details are as follows. The rates of produce sharing are agreed upon while renting out land. Before reaping the harvest the tenant informs the landlord about it and with mutual consent of the parties, a few respectable ryots commanding confidence of both the landlord and tenant are summoned to the field to stipulate the yield of the harvest and to fix what quantity the landlord is to get according to rates of *palu*. The rent so fixed (expressed in terms of so many putties) is to be paid to the landlord. Unless otherwise stated the landlord gets a share in all kinds of produce raised on the farm together with a

* See "Agrarian Problems of the Madras Province," Ibid ch. v, p. 100-102.

share in the straw. If the shares of the landlord and tenant are not fixed at the beginning of the lease in order to convert them into fixed quantities at the time of *Anchana* (appraisal of crop), it may also be possible that the persons chosen to estimate the harvest may straightaway fix the rent payable to landlord in kind from the estimate of the probable harvest without any reference to rates of sharing previously agreed. If they do so, they may perhaps fix the rents of the landlord on the basis of not only the estimated yield of the crop but also after leaving an adequate margin for the tenant to meet his expenses of cultivation and to make a little gain after paying the rent to the landlord.

The *Danabandi* system in Bihar is more or less similar to the *Anchana* system. According to the *Danabandi* system, the standing crops are estimated at the harvest time and the share of the landlord is paid in kind or in cash at the current market prices.

Taksim represents a combination of *batai* and *theka* systems which is discussed in the Nagpur Tahsil Assessment Report. It is considered from the viewpoint of landlord an improvement over the *batai*, since it ensures him a minimum income from his lands in case of crop failures or bad harvests due to inefficient farming by tenants. It is practised almost exclusively by big malguzars staying in Nagpur and is a one-sided partnership between the malguzar and cultivator, for the malguzar secures himself against loss by fixing the *taksim jama* whereas the cultivator has to find the amount from other sources in case of poor harvests. In other words, lands are given out for a produce rent under *batai* subject to a cash minimum. Under the system the malguzar has an interest in making the yields as good as possible and, at the same time, he is assured of realisation

of a minimum to meet Government demand on land, and it also makes him secure against malpractices of dishonest tenantry who try to avoid paying anything to landlords in bad years, although they could realise something from the main or secondary crops.

Preference of Cash Rents and Crop-rents: It is at any rate not easy to find out the preference of cash rents and crop rents by lessors and lessees, although to some extent the causes for the increase in the number of cash leases in recent years may be traced. Cash rents are popular in dry lands, wet or irrigated garden lands or gardens. Share tenancy apparently is not convenient in case of lands grown with cotton, betel, chillies, vegetables, etc., as the produce is gathered for a number of times from season to season. Further, tenants renting such lands are generally substantial ryots as they have to invest considerable sums in land by way of manuring and effecting necessary improvements and may be in a position to bear risks of farming enterprise and pay cash rents in all seasons. As for dry lands, it is well-known that failures of crops are very frequent and out of a period of five years there may be one or two years when the harvests are good or normal. Therefore, one of the reasons of landlords' preference of cash rents, apart from one of convenience, appears to be that they are anxious at least to make sure of the amount of land revenue payable to Government from the rents. In some areas in the Ceded Districts, the cash rents are as low as Re. 1 to Rs. 2 per acre which leave little margin of profit to the landowner after payment of land revenue varying from Rs. 0-2-0 to Rs. 0 6-0 per acre.

The level of cash rents on different lands varies not only on account of differences in output of different lands but

also due to fluctuations in the prices of agricultural commodities raised from period to period. In a period of rising prices, the tendency of the ryots is to contract lands in cash rents in preference to other forms of rents, whereas in a period of declining prices, the preference will be towards leasing lands on *Palu* or *Makta*. On account of enormous rise in prices at present even wastelands fit for cattle grazing are leased out on Rs. 20 to Rs. 40 per acre. Cash rents of Rs. 150 to Rs. 350 per acre on lands cultivated with tobacco and Rs. 200 to Rs. 400 on lands raised with sugarcane are common in many regions.

Landlord's Influence over Cropping and Rotation of Crops: Under all circumstances, the tenant is not free to raise whichever crops he likes to cultivate. In some cases, the landowner prohibits the cultivation of certain crops entirely in the whole period of the lease or during the last years of the lease. Restrictions are imposed on cultivation of crops on farms rented out. The kinds of paddy crops which may be raised on land are restricted to crops which are generally suitable to that particular land. Short term crops of three months are generally prohibited, as short term paddy is inferior to the long term one and a farm may be damaged by being left fallow after harvesting of short term crops. So the rentier always insists on cultivation of good variety of paddy, namely the long term ' Tella Dhanyam." Other crops like sugarcane, gingelli and other heavy crops which deplete the fertility of land are not allowed to grow without previous permission of landlord or in the final year of a lease. Similarly stipulations are made with regard to cultivation of crops like tobacco. According to a stipulation included in leases in some places, if heavy crops like gingelli, sugarcane, turmeric, betel, plantain, etc.,

are raised contrary to the conditions of lease, the tenant has to give half a share in the produce of such crops, himself bearing all costs of cultivation for raising those crops. As pointed out elsewhere, by fixing the quantities payable to him by the tenant in various crops towards rent, the landlord in a way influences the crops to be grown on the farm. Such stipulations are generally made to insure against impoverishment of soil.

Resume: It may be noticed that the origin and growth of the chief forms of tenancy, *viz.*, the *palu* (sharing), the *Makta* (fixed-crop rents) and the *cist* (cash rents) may be traced back, broadly speaking, to the principal methods of assessment of Government demand on land, and their evolution during the Hindu and the Moslem reign. The indigenous political, social and economic institutions in India were not vitally affected under the Muslim suzerainty, even though many emperors ruled the country or a few invaders had come and gone. In the middle ages, for example, there were at least four distinct methods of assessment, *viz.*, (a) the *Sharing* of crop by division or estimation (b) the system of *Measurement* according to which on each unit of cultivated area a fixed levy payable in kind or cash was made (c) the *contract* system according to which every cultivator has to pay a fixed rent on his holding irrespective of the area actually cultivated and the nature of harvests, and (d) the time-honoured traditional method of *plough-rent* under which a specified levy had to be paid by the cultivator on each plough and work-animals, which were taken as the basis of assessment.

Assessment in kind was the predominating practice in ancient India which was replaced by payment in cash under the Mughal administration, particularly under Akbar. The following were the chief systems of land revenue under

Akbar. † (a) A type of sharing known as *Ghallabaksh* under which a share of cash crop, generally determined by estimation and not by actual weighing, was levied by the State. The value of the estimated share was then payable in cash, (b) the *zabti* or Regulation system was a system of State-landlordism aimed at direct settlement with the individual landholder and was considered as a definite advance over the system of the division of crop. The main feature of the system was levy of a fixed assessment payable in cash (after duly commuting) on each plot according to the kind of crops grown. The crop-rates were fixed on the average yields of good, moderate and bad lands under each grade of land (*polaj* or land continuously cultivated, and *paranti* or land left fallow for one or two years). Out of the averages so obtained, the State demand was 1/3, while the *produce-rates* were deduced from the *crop-rates* in accordance with the recognised schedules of rates called *dastur*. The cash-rates were finally arrived at from *produce rates* on the basis of yield and prices. Cash-rates were levied on *polaj* lands, while full rates on *paranti* lands when cultivated and not otherwise. Lower rates were charged on lands brought under the plough from fallow or uncultivated lands as *banjar* or *chachar* as an incentive to expansion of cultivation. It is evident, therefore, that while Sher Shah ' based his assessment upon the average yield per bigha of a crop, Akbar worked out the average price of this yield in order to convert grain demands into cash demands, thus translating the grain rates contemplated by Sher Shah into cash-rates. This may roughly be indicative of the genesis of cash-tenancy apart from the systems of fixed-crop-rents and share-rents which were found to be in vogue in India long before.

† Vide: Report of the Land Revenue Commission, Bengal, Vol. II, Alipore, 1940, pp. 162-65.

CHAPTER V

RATES OF FIXED RENTS

AN ABSTRACT OF FACTUAL SITUATION

Conditions in Tamilnad and Malabar : Before presenting the material gathered by the present writer in his investigations in the Andhra districts of the Madras Province, a reference to tenancy conditions in Tamilnad and Malabar is appropriate. The abstract presented on the opposite page throws light, to a certain extent, on the types and conditions of tenancy in some of the villages investigated in the post-depression period. It may be observed, that on the whole in the villages investigated, the cash rents were not so common at the time. The popular forms of tenancy were *varam* and *Kuthagai*. The rates of *varam* of 3 : 1 in Tinnevelly district, 10 : 3 in Tanjore and $\frac{5}{6}$: $\frac{1}{6}$ in North Arcot districts are indeed exacting, when compared to rates of sharing in other parts of the country as outlined in Chapter III. The *Varam* tenant under the system of division of crop in 53 : 7 marakkals between lessor and lessee in Dusi village (North Arcot district) approximates in a way to that of a cropper in other countries. In delta tracts of Tanjore and Tinnevelly districts *Kuthagai* is more predominent than *Varam* and the one good feature is if crops fail, produce is shared according to the *varam* principle. The practice of payment of advances in kind or cash (interest free) to needy tenants in good many cases was commendable. It is doubtful how far the above picture may be true to the conditions at present, especially during the last 6 or 7 years. However, the data may be taken as to represent broadly the pre-war conditions in the regions concerned.

STATEMENT

Containing an abstract of the types and conditions of tenancy

Village. (1)	District. (2)	Tenancy types — Share-rents. (a)
1. Vadamalaipuram.	Ramnad ...	(1) No striking difference among different classes of land, tenant bearing all expenses and landlord paying only *kist*, and produce divided equally. Usually tenant gets paddy-straw or dried stalks of cotton. When landlord supplies a part of manure, he gets half straw or dried stalk of cotton.
2. Gangaikondan ...	Tinnevelly...	(2) On lands close to village, the varam is 3 : 1 between landlord and tenant, the landlord supplying manure and bearing in common expenses of harvesting. The landlord also gets ¼ straw But on lands inaccessible to landlord for supervision the varam is 2 : 1 ; no manure is supplied by him but he gets 1/10 total straw per acre or 4 bundles per Kottah. Another variety of varam is 'Pare' previously referred to, where tenant gets 1/21 of kottah as his share for services rendered. On rainfed dry lands the varam is 2 : 3, the harvesting charges being borne in common.
3. Palakkurichi ...	Tanjore ...	(3) Lands are leased out largely on kuthagai except inferior lands liable to frequent failures of crops, the rates of sharing being 10 : 3 between landlord and tenant.

* Abstract prepared from some South Indian villages—a resurvey by
† *Note* :—2 Padis (or Madras measures of 120 totals each) = 1 Marakkal, 12

No. 1.

in some of the villages investigated during 1936-37.*

and their conditions. (8) Fixed-rents in kind. (b)	Fixed-rents in cash. (c)	Remarks. (4)
(1) Negligible.	(1) Cash rents are on the increase which are usually Rs.10 or Rs.5 per acre for lands having no wells and Rs. 20 per acre for lands with wells.	(1) Fixed - rents or cash rents at a low level are replacing varam in spite of fear of loss by tenants due to vagaries of rain-fall and insect—pests.
(2) Rents paid for one acre of wet land of average fertility is 7 Kottahs (1 Kottah = 112 Madras Measures). In fact, Varam is important only next to Kuthagai in the village. If crops fail due to exceptional natural cauess, a reduction or remission of rent is agreed to by landlord.	(2) Dry & garden lands always let on cash rents, lands raised with millets like cholam or ragi fetch Rs. 25 per acre.	(2) Cash advances (Muthalkadan) interest free are paid to tenants and recovered at harvest If seeds say 112 Madras Measures are advanced 128 Madras measures are recovered at harvest.
(3) Rates of Kuthagai vary from 6 to 8 Kalams per *Ma*†, according to Fertility, the average may be roughly taken as 7½ Kalams per *Ma* or 150 Kalams per *veli*†. The landlord only pays Govt. demand on land, while the tenant has to bear all expenses of cultivation If crops fail, produce is shared on varam principle. Leases are generally for one year renewed yearly in many cases.	(3) Negligible.	(3) Interest free advance of paddy upto 20 kalams or Rs. 50 to Rs 60 for purchase of cattle are made and recovered at harvest.

P. J. Thomas and K. C. Ramakrishnan, University of Madras, 1940.

Marakkals = 1 Kalam ; and 1 Ma = about 1/30 acre, 20 Mas = 1 Veli = 6⅔ acres.

STATEMENT

Containing an abstract of the types and conditions of tenancy

Village. (1)	District. (2)	Tenancy types — Short-rents. (a)
4. Eruvellipet ...	South Arcot.	(4) Paddy lands are rented out both on varam and kuthagai, the varam rate being ½ : ½. Lands cultivated with dry crops as kumbu or Ragi, the landlord collects varam on kumbu, fixes rent on basis of groundnut crop and the rent is paid in cash or the produce is equally divided as varam. If vegetables are raised, a share is given to landlord.
5. Dusi ...	North Arcot.	(5) Under varam, the landlord supplies seed and manure and pays kist, the tenant only supplies labour. The lessor gets 5/6 of produce and one headload of straw as his share. Besides 1/6 share, the tenant gets gleanings of the thrashing floor if he supplies his own ploughs and oxen. But if the ploughs and oxen are also supplied by the lessor in addition to the above referred to things as seed, manure, etc , his share is 53 marakkals out of 60 marakkals of produce, the tenant getting only 7. All straw goes to landlord while tenant gets, besides his share, 7 to 12 marakkals under various heads as kalavasam, thaladi, Poradi and minvai. If the landlord has no manure or seed, he pays cash to tenant for the same and he supervises cultivation unlike under kuthagai.
6. Guruvayur ...	Malabar ...	* *Note*:—There are three types of tenures, *viz.*, tenure). All lands belonging to and others mostly on verumpat-

* Though no detailed information is available as in other villages in Tamil- that the features of sharing and fixed-rents systems do not vary considerably

No. 1—(*contd.*)

***in some of the villages investigated during* 1936-37.**

and their conditions. (3) Fixed-rents in kind. (b)	Fixed-rents in cash. (c)	Remarks. (4)
(4) If paddy lands are let out on Kuthagai, the landlord gets 10 to 16 Kalams (each of 36 Madras measures) of Paddy per cawni (1 1/3 acres). In case of paddy lands sometimes the tenant gives 4 bundles of straw per cawni to landlord.	(4) Cash rents are not common. But lands sown with groundnut fetch Rs. 75 per cawni. The leases are oral and usually renewed after every year.	(4) Advances in paddy are made & recovered with interest and in case of seeds, double the quantity of loan is recovered. For Kuthagai leases no advances made due to difficulties of recovery.
(5) About 40% of wet lands are let on Varam and the rest on Kuthagai The kuthagai rate for one acre varies from 26 to 32 Kalams (Kalam is equal to 10 Marakkals) of four Madras measures each), the landlord in addition getting 4 headloads (tharai) of straw.	(5) Rents are always paid in kind and never in money.	(5) Amounts in cash, advances of seed, manure or even grain for domestic consumption are sometimes given interest-free.

the verumpattam or simple lease, the kanam and the saswatham (perpetual the church, temple and the Kovilakams are let on lease chiefly on kanam tenure tam or on yearly leases.

nad about rates of rents, etc , under different kinds of leases, there is no doubt in Malabar also.

STATEMENT No. 2

Embodying a summary of rates and conditions of Makta *and* Cist *systems in some Telugu districts during* 1946.

Region.	Rates and conditions of *Makta* System.	Rates and conditions of *Cist* System.	Remarks.
1. *E. Godavari District.*			
(a) Peddapuram (Taluka)	(a) The Makta prevails in villages under Yeleru river and on fertile lands under major irrigation works. The Makta varies from 10 to 12 bags per acre in the first crop, while the second crop entirely goes to tenant who pays Government demand for it.	(a) Cash rents are found for commercial crops as chillies, the rate varying from Rs. 10 to 30 per acre.	...
(b) Coconada (Taluka)	(b) In Aratakatla village, *Maktas* vary from 10 to 18 bags per acre. One of the interesting conditions of lease is that the tenant should not raise second crops without consent of losser and not to raise gingelly crop in the final year of lease (varying from one to three years). Tenant has to pay full land revenue for second crop which is his. He has to plough land required to raise seed beds, before he vacates the form after the expiry of the lease.	(b) Negligible.	...

(c) Amalpuram (Taluka)	(c) The *Maktas* on paddy lands are 10 to 11 bags per acre.	(c) For lanka lands in Inavalli village, cash rents from Rs. 50 to Rs. 100 and in other villages Rs. 15 to Rs. 25 on poor lands and Rs. 50 to Rs. 100 on good lands are prevalent. Usually tenants perfer to three year leases, for if improvement or repairs to land are effected in the first year, the benefit of better yields will be obtained only in the next two years.	(c) In case of mango topes the young plants are planted by the land-owner, who hands over to a tenant to foster them till they bear fruit In return the tenant is allowed to raise dry crops in vacant patches and reap the entire produce himself during the period.
(d) Addetigila (Peddapuram Revenue Divn.)	(d) Negligible.	(d) It may be interesting to note that in the hilly sub-taluka of Addetigila *although the extent of* leasing out lands is very limited, even wet lands are leased out on cash rents of Rs. 30 to Rs. 50 per acre apart from Rs. 15 to Rs. 20 paid as rent on dry lands.	

STATEMENT No. 2—(*Contd*)

Embodying a summary of rates and conditions of Makta *and* Cist *Systems in some Telugu districts during* 1946.

Region.	Rates and conditions of *Makta* System.	Rates and conditions of *Cist* System.	Remarks.
2. *W. Godavari Districts.*			
(a) Tadepalligudam (Taluka)	(a) In Tadepalli village only a small tract of delta land under the irrigation channels of Ellore canal is leased on Maktas of 10 bags per acre as well as half cart load of straw, whereas other wet lands are leased on ½ : ½ sharing. In the village Allampuram, Makta of 9 to 13 bags (average yield 15 bags an acre as well as half the straw are obtained. If there is second crop half produce and one third straw is also given to landlord besides the above makta in certain instances, while the taxes on second crop being borne equally.	(a) In Tadepally (dry) rents of Rs. 6 to Rs. 10 on Rewadi and Rs. 15 to Rs. 50 on *Garuvu* lands are found. However, cash rents are not common in Allampuram (wet) though Palu is found on some portion.	

(b) Narsapur (Taluka)	(b) Average Makta 8 to 12 bags per acre, second crop DALWA to be divided equally, the tenant bearing in full the assessment on second crop. About 3 to 4 head loads of straw are given to lessor in the first crop On coconut gardens about 4,000 coconuts are to be given per acre which cost about Rs. 600 at the rate of Rs. 150 per 1,000 numbers.	(b) Average rent on dry land is Rs. 30 per acre. Rents on gardens like plantations and lemon are Rs. 250 to Rs 300 and sugarcane about Rs. 400 per acre.	(b) There is a growing feeling of hatred and grievance by every servant, for he thinks that rents charged by lessors are very exhorbitant and out of proportion to yield obtained.
(c) Tanuku (Taluka)	(c) The Maktas on paddy lands (the most important crop) are 8 to 13 bags (average yield 15 to 16 bags). In some cases half of first crop is divided equally and so the produce of all kinds raised. The landlords in a few cases supply farm yield manure *Patimannu* to tenants freely.	(c) On dry lands Rs. 50 to Rs. 70 and on sugarcane Rs. 200 to Rs. 250 cash rents are quite common.	(c) The leases are for one year or for three years.
(d) Kovvur (Taluka)	(d) Tenants pay one cartload of straw in addition to rents of 6 to 10 bags per acre on wet lands.	(d) In case of dry or commercial crops cash rents vary from Rs. 70 to Rs. 250 per acre; lands raised with virginia tobacco fetch upto Rs. 800 an acre.	(d) Sharing is also prevalant except on lands raised, with commercial crops.

STATEMENT No. 2—(*Contd.*)

Embodying a summary of rates and conditions of Makta *and* Cist *Systems in some Telugu districts during* 1946.

Region.	Rates and conditions of *Makta* System.	Rates and conditions of *Cist* System.	Remarks.
(e) Polavaram (Agency Taluka)	(e) In Mangapatidevipeta village (Government village) the makta rents are as high as 10 bags per acre.	(e) In the villages of M. Devipet and Koya Rajahmundry cash rents vary from Rs. 2 to Rs. 5 and Rs. 3 to Rs. 8 respectively.	(e) Palu ½ : ½ in produce and straw also found.
3. *Krishna District.*			
(a) Bezwada (Taluka)	(a) In some of the delta villages, rents of 13 to 18 bags are come across. The landlord is given also one bundle of hay and about half a bag per acre, if pulses are raised as subsidiary crops. If farmyard manure or cattle manure is supplied by lessor, he *gets in* addition one or two bags extra per acre and in fact in most instances no manure is supplied by landlord.	(a) In delta villages, on dry and garden lands cash rents of Rs. 30 to Rs. 150 are found. On lands suited only for raising fodder Rs. 25 to Rs. 80 on lands grown with turmeric, vegetables etc. Rs. 120 to Rs. 150 per acre are paid as rent. Dry lands fit for the growing of the new type of sugarcane fetch rents upto Rs. 150 to Rs. 180 per acre	(a) The taluka comprises of both deltaic and dry areas. In the dry villages the Palu and cist alone prevail.

(b) Bandar (Taluka)	(b) In Pedana village (the biggest one in the taluka), on wet paddy lands rents of 4 to 10 bags (yields 5 to 15 bags an acre) are usually noted	(b) Dry lands raised with vegetables or garden crops fetch a low rent of Rs. 3 per acre which is very low as compared to rents paid on dry lands (fertile) in Devi taluka (e g. Rs. 50 for tabacco, Rs. 30 to Rs. 40 per acre raised with maize, red-gram or bengal gram, if paid in money)	(b) It is largely a taluk of sandy soils There were instances where a good landlord gave remission upto 50% when crops failed, while some cruel lessors sent their tenants in courts of law for arrears accumulated for similar reasons.
(c) Nandigama (Taluka)	(c) Negligible : The wet lands irrigated with paddy are cultivated by owners themselves. In case they are let out under certain circumstances, they are leased out on Palu of $\frac{1}{2}:\frac{1}{2}$ or $\frac{2}{3}:\frac{1}{3}$ in produce and hay between lessor and lessee.	(c) On sandy soils fit for groundnut, on black cotton soil raised with chillies, tobacco, redgram or even groundnut, rents range from Rs. 5 to Rs. 100.	(c) It is an upland taluka consisting of Nandigama taluka proper and Jaggayampeta sub-taluka (largely inamdari tenure). It may be interesting to note that in both these talukas long period leases ranging from 8 to 5 or even 7 years in a few cases may be noticed.

STATEMENT No. 2—(*Contd.*)

Embodying a summary of rates and conditions of Makta *and* Cist *Systems in some Telugu districts during* 1946.

Region.	Rates and conditions of *Makta* System.	Rates and conditions of *Cist* System.	Remarks.
4. *Guntur District.*	In this district Tenali, Repalle and Bapatla Talukas are fertile and have large tracts of wet land in the order shown. The Makta varies from *10 to 20 bags,* though 15 to 16 bags on acre are widely obtained. Straw is taken by tenant himself unless otherwise agreed upon in the base.	In these talukas even on dry lands Makta or cash rents are the rule, and Palu is rare. In some cases dry lands grown with tobacco or irrigated with chillies are found to give better money returns than wet paddy lands. On dry lands grown fit for commercial crops the rates are Rs. 200 to Rs. 250 and Rs. 300 to Rs. 850 in some cases for garden lands.	One interesting point is that the well-to-do ryots in the neighbouring villages of the towns *like* Tenali, Bezwada, Nellore etc. keep carts drawn with horses. and go to towns in the *mornings* and return at nights after whiling away their time and money in coffee - hotels and cinema-houses. In fact much of the gains obtained during war time prices are frittered away in ways like these by *many a fool*ish substantial landlords. They are addicted to much 'show and, to a life of ease' as people say.

5. *Nellore District.*	When compared to other Talukas of the district the talukas of Kovvur, Nellore and Kavali are good ones from agricultural view point. Makta rents of 12 to 16 (even 18 in some of the villages in Nellore firka) towards an acre are paid. Besides 4 to 5 bundles of straw is also given.	In other upland talukas as Kanigiri, Udayagiri, and Kandukur, Palu is widespread as contrasted with lands of *grain rents* even on irrigated farms (by wells or tanks) although in a few villages grain rents of 5, 12 to 15 tooms may be in vogue on wet lands and garden dry lands. No extras are paid in other secondary crops raised as in case of Korea (Produce-sharing). Cash rents vary from Rs. 75 to Rs. 100 on wet lands in Kanigiri taluka, Rs. 50 on wet and Rs 100 on garden dry lands in Udayagiri taluka and Rs. 150 on lands grown with virginia tobacco. Particularly in the two villages of Muppavaram and Peridapi in the Kandukur Taluka.	It is reported that many tenants in the districts owns small bits of their own land, besides, tenancy lands and take to other subsidiary occupations as weaving, cattle trade, undertaking cooly work in the neighbouring towns. Though the tendency is towards one year leases, the number of leases extending to three years are many.

STATEMENT No. 2—(*Contd.*)

Embodying a summary of rates and conditions of Makta *and* Cist *Systems in some Telugu districts during* 1946.

Region.	Rates and conditions of *Makta* System.	Rates and conditions of *Cist* System.	Remarks.
6. *Bellary District.*	In ceeded districts the usual form of tenancy is the sharing system on all kinds of lands and Makta rents are very few.	On certain lands as pasture lands or on black cotton soils cash rents of Rs. 8 to Rs. 10 (Prior to war II, the rate was only Rs. 2 to Rs. 8) or Rs. 5 to Rs 6 an acre are found. In villages like Tamballapalli (Chittoor District) fixed quantities in some of the crops together with a rupee or so in cash per acre are demanded by the landlords.	

Rates of Fixed Rents in Some Telugu Districts: A summary of the rates and conditions of Makta and Cist systems in some Telugu districts as obtained in the year 1946 is presented in the statement No. 2. From a scrutiny of the contents of the statement, it is noticed that the rates of Makta and Cist rents vary unduly in various districts, as among different talukas in the same district and again among the various groups of villages in the same taluka or *firka*. For example, cash rents range from Rs. 2 per acre on dry lands in Polavaram or some of the areas in the ceded districts upto Rs. 400 per acre on sugarcane gardens in Narsapur taluka. The same holds goòd with rigard to the level of *makta* rents also. These variations may be accounted for a number of reasons e.g., variations in fertility of land, availability of agricultural water supply, nature of crops grown, demand and supply for tenancy land etc. An objective study of the conditions and rates of rents in different lands in some of the important regions of the province is specially important for the legislator or the administrator for regulation of tenancy and fixation of maximum rents.

Makta rents in relation to normal yields of produce: While enumerating the rates of *Makta* on wet and dry lands in a few regions of the province, it is necessary to state also, as far as possible, the normal gross yield of the lands in the regions in order to have a rough idea about the residue left with the tenant after payment of rent to the landlord, out of which costs of all services and contributions made by him for operating the farm have to be met.

In Jinnur firka of Narsapur taluka, wet paddy lands are leased out at 13 to 15[1] bags per acre, where the gross yield of the first crop is said to be ranging from 15 to 18 bags per

1. A bag means one standard gunny bag (*Kata basta*) of paddy of 166 lbs in weight.

acre. Under Ajjarla and Bommidi channels of Ellore canal (Tadepalligudem taluka), lands are leased out at 10 bags an acre, where the gross output is estimated at 12 to 13 bags per acre. Rents of 16 to 17 bags (in a few cases, even some thing more) are not uncommon in most fertile wet paddy lands in Tanuku, Bhimavaram and Gudivada talukas in the face of estimated normal yields of 18 to 20 (or more) bags per acre. It is commonly talked of that in these parts tenants are prepared to pay any amount of *Makta* rents, so long as they are assured of getting the benefit of straw and other catch crops raised on the farm after paying the rents due to the landlords. In Kovvur taluka (Nellore district) *Makta* rents varying from 12 to 16 *tooms* an acre are prevalent, the gross output ranging from 18 to 25 *tooms* per acre. Besides rent, in all the above cases, the landlord is given a certain number of head-loads of straw, say 4 to 5 bundles. In case of absentee landlords straw may not be demanded actually, unless there is his agent nearby. The landlord is also entitled for half the share in the second crop paddy and straw, the Government *kist* for the second crop either borne entirely by landlord or divided equally. In certain villages in the Ceded Districts under *Makta* (otherwise known as *Sagubadi* or *Gutta*) not only a fixed quantity of grain in the main crop is to be given as rent to the landlord but his claims include also certain quantities in all crops that are raised on the field. This is relatively more oppressive. As certain crops have to be grown as per the terms of a lease, out of which the rentier claims a certain quantity of produce, to that extent the landlord determines the nature of cropping, or the crops to be raised on the farm.

The few above examples go to show that the rents extracted by landlords are out of proportion as compared to the actual yields or returns obtained (more details in the

next chapter) and the margin between gross yields and rents paid by tenants is unduly low. Apart from two to three bags of grain and straw which a tenant gets in the first crop, due note has also to be taken about the fodder crops like *Pilli-pesara* and sunhemp and dry crops as black gram, green gram etc. as well as vegetables that may be raised on bunds all of which accrue to tenant in addition to the produce of second crop (*dalwa*, once in three years) entirely or partly derived by him. But this should not be construed as a contention since, even though the tenant's share as seen from the rates of rents may appear to be very meagre, when all kinds of produce raised and benefits derived by the tenant, directly and indirectly, are taken fully into account, they would perhaps amply compensate the expenses incurred for cultivation, the services rendered by tenant and some of the members of his family, and for the capital invested for the working of the farm, and provide at least a minimum living to the farm-operator and his dependents.

Collection of extras and other exactions : In addition to the high rates of rents prevalent under all the patterns of tenancy, also some other extras are collected from ryotwari tenants under custom or obligation. In the Palkonda taluka (Vizagapatam District), it is gathered that it is customary for a tenant to pay, besides the *Bil-Makta* rent, a sum of Rs. 4 to Rs. 6 or any agreed amount as " Baja " money (literally baja means a drum) together with some quantity of ghee (say, 2 to 3 seers to the landowner on the occassion of *Dasara* festival or during *Divali*. Nowadays, the item of ghee is omitted, but the value is included in " Baja " money, if it is so preferred.†

† In C. P. and in some other non ryotwari estates, extras are used to be collected on the larger estates, the most usual being : (*a*) fodder so much per plough, (*b*) *ghi*, so much per buffalo, (*c*) milk at festivals, (*d*) village expenses, (*e*) weighing dues, (*f*) sale of grain at cheap rates,

In Tamballapalle village, it appears all the tenants of the two residential big Reddi families, have to work one day in a year in each of the houses without any remuneration except a free meal, when it is given.

Whether it is specified in the leases or not, the tenant has to give to the landlord a few bundles of straw and vegetables. In some cases, he is to look to one or two cattle of the landlord and graze them *gratis* along with his own during the period, when they become dry, or he is to send occasionally grass through his son or farm-servant to the residential landlord. The tenants of some big landlords in Nellore district have to work on the fields of the landlords in busy seasons at customary wages, which are necessarily found to be a little less than the competitive wages of the casual labour. On festivals and ceremonies the tenant makes presents, sends vegetables, milk and curds and works at the house of the landlord. For all these services and contributions made by a tenant still passing on as 'Voluntary' the tenant does not get any return. It is said that the residential rentiers particularly small landlords tease tenants to a greater extent. They take extras such as pulses, trouble tenants to grow vegetables, first sort paddy for their use and ask for grass etc., besides extracting gratutious labour (*vetti chakiri*) without giving anything by way of remuneration. It is gratifying to note that the recent tenancy legislation in the Bombay Province, as finally emerged under the title of the Bombay Tenancy and Agricultural Lands Act, 1948,

(*g*) forced indigo and its sale at cheap rates, (*h*) *nazarana* on renewal of leases or attestation of occupancy rights, (*i*) commission on canal rates collected and commission on mud taken from tanks for bricks, interest on rent arrears, etc.······Another kind of *nazarana* was to collect one or two rupees, whenever a non-resident proprietor pays a visit to the village.

prohibits levy of cesses and services of all kinds by landlords from their tenants, other than the rent lawfully due in respect of a tenancy-land, under section 11 of the Act.

Note :—Section 11 of the Act runs as follows: "Notwithstanding any agreement, usage or law, it shall not be lawful for any landlord to levy any cess, rate, vero, huk or tax or service of any description or denomination whatsoever from any tenant in respect of any land held by him as a tenant other than the rent lawfully due in respect of such land"

Vide, Bombay Act. No. L XVII of 1948, ch. II, sec. 11, P. 6.

CHAPTER VI

EFFECTS OF SHARING AND FIXED TENANCY SYSTEMS

In order to evaluate fully the economic significance of each of the tenancy patterns, it is necessary to appraise as accurately as possible, the incidence of rents on landlords and tenants, effects on operating efficiency of farms, land improvement and productivity and other socio-economic effects under different types. The difficulties on the way of evaluating properly and expressing precisely in money values the various items of services and contributions made by landlord and tenant in farming are many, particularly under the *Palu* System (Share-tenancy) as compared to any other forms of tenancy. For example, in some tracts, the shares of landlords and tenants may be estimated only out of the main crops, while in others, the estimates are more accurate since the shares both in the basic as well as other kinds of produce raised are taken into account in calculations. In fact, to be exact, we should include in rent, deposits not refunded to tenants, compulsory presents and services made to landlords and costs of transport of produce to the landlords' house or that of his agent while estimating the heights of rents.[1]

1. Cf. According to estimates made in China the rent paid to landlord amounted to 45% in Chekiang (1928) 25% in Kiangsu and 67% in Shansi (1930). In England it was found that the net income on 100 acres was divided among landlords, tenants and field labourers in the ratio of 80%, 11% and 59% respectively in the year 1925. The estimates made by Sardar S. Kartar Sing about the shares in net income and expenditure of landlords and tenants in the districts of Jullundur, Multan and Lyallpur reveal that the percentages varied from 84 and 30 against 16 and 70 in the well-irrigated-cum-Barani holdings in Jullundur to 29 and 18 against 71 and 82 on well-cum-canal irrigated holding in Multan respectively (cf. his paper on Agricultural Tenancy in the Punjab).

Income-effects of the chief tenancy patterns: However an attempt is made to work out a few examples † by way of illustration in the following consolidated statements embodying approximately the incomes of landlords and tenants under the *Palu*, the *Makta* and the *Cist* systems in some of the regions investigated. According to the statistical methods as applied recently to economic and social research, it may seem harzardous to draw definite and substantial conclusions on the question on the basis of the very limited number of cases investigated in the whole province or in the districts or talukas concerned. However, from the impressions of the present writer formed in his tours in the Province, and from the intensive study of rents made by him in the Andhra districts, some of the following observations can be safely made from a scrutiny of the statements No. 1 to 4.

The incomes obtained by a share-tenant in Kandukur and Rayadrug talukas are comparatively higher than those of a share-tenant in Palkonda taluka (under division in the proportion of $1\frac{1}{2}:1$ of all kinds of crops raised between landlord and tenant). Similarly, the share secured by a Makta-tenant in Cocanada Taluka is larger than that in Madanapalle Taluka where a little amount of money also has to be paid in addition to grain rent; or that of a Makta-tenant in Bhimavaram Taluka where half straw and grass has to be given to lessor besides paddy. If there is a second crop paddy in a year, the tenant is in a position to push up the margin of his share to a certain degree. As compared to the shares obtained by tenants under the

† *Note*:—A few more cases are worked out and shown in the Appendix B. As stated elsewhere, the rents, wages and prices of commodities in the instances given represent those obtained during the year 1946 in the Province.

STATEMENT

Showing income of rentiers and tenants under

(i) On one acre of irrigated Paddy in a village in Kandukur taluka (Dry) where both produce and expenses of reaping and harvesting of crops are shared equally by landlord and tenant :—

Income to landlord.	Rs A.P.	*Income to tenant.*	Rs. A P.
Value of half share in paddy 10 tooms at Rs. 140 per 20 tooms ...	70 0 0	Value of paddy of 20 tooms at Rs 140 per 20 tooms ...	140 0 0
Value of ½ share straw ...	7 8 0	Value of straw of 20 bundles at Rs. 1-8-0 per bundle ...	30 0 0
	77 8 0		170 0 0
Deduct half expenses on reaping and harvesting to be borne by landlord ...	12 8 0	Deduct expenses of cultivation ...	60 0 0
	65 0 0		110 0 0
Deduct land revenue paid ...	9 0 0	Deduct value of landlord's share,	65 0 0
Net income ...	56 0 0	Net income ...	45 0 0

(ii) On one acre of land in taluka (Dry), where soil :—

Income to landlord.	Rs A.P.
Value of ¼ share of produce ...	26 4 0
Deduct land revenue ...	8 8 0
Net income ...	22 12 0

Note :—The wide diver accruing to landlord and tenant may be due land, difficulty of culti competition among tenan density and above all due as only in one or two harvests may be good or

N.B.—In the above examples, no deductions are made towards interest on capital If it is included, it is evident that the net incomes of landlords will be

No. 1
Palu (*Produce Sharing*) system.

a village in Rayadrug the shares are 1 : 3 on red

Income to tenant.

	Rs. A. P.
Value of yield of 8 putties of groundnut at Rs. 35 per putti ...	105 0 0
Value of miscellaneous produce raised ...	8 0 0
	108 0 0
Deduct expenses of cultivation ...	50 0 0
	58 0 0
Deduct value of of share of landlord ...	26 4 0
Net income ...	31 12 0

gence between the share the share accruing to to poor fertility of vation, absence of keen ts due to low population to uncertainty of crops, years out of five years the normal.

(iii) On one acre of land in a village in Palkonda taluka (Dry), where sharing of $1\frac{1}{2}$: 1 is in vogue on *all sorts of crops raised* (No second crop paddy can be raised) :—

Income to landlord

	Rs. A. P.
Value of $1\frac{1}{2}$ share in all sorts of produce & staw.	102 12 0
Deduct land revenue ...	10 12 0
Net income ...	92 0 0

Income to tenant

	Rs. A. P.
Value of 20 puttis of paddy at Rs. 200 per Garisa (one garisa = 80 puttis) ...	141 5 3
Value of straw ...	20 0 0
Value of miscellaneous produce as vegetables, straw etc. ...	10 0 0
...	171 5 3
Deduct expenses of cultivation ...	70 0 0
...	101 5 3
Deduct landlord's share ...	102 12 0
Net loss to tenant ...	(1 6 9)

Note :—Similarly, where the rates of sharing of 2 : 1 or 3 : 2 on paddy or on dry lands; or on tobacco lands sharing of even 4:1 exist, evidently the exploitation of tenants is greater and farming is carried on by tenants at a loss, if expenses of cultivation are to be estimated strictly according to the business costing methods.

outlay involved in the areas concerned in case of incomes of landlords or lessors reduced further.

STATEMENT

Showing incomes of rentiers and tenants under

(i) On 2-80 acres rented under *Makta* in a village in Bhimavaram taluka (Delta) giving half straw and grass besides grain as rent :—

(a) Yield of paddy under normal conditions on 2-80 acres ... 50 Kata bags
Quantity of straw ... 10 bundles
Estimated expenses of cultivation on the plot ... ... Rs. 148 8 0

Income of landlord.	Rs. A.P.	*Income of tenant.*	Rs. A.P.
Rent as agreed 38 bags at Rs. 11.	418 0 0	Value of gross yield to tenant after paying landlord's rent 12 bags paddy at Rs. 11 each.	132 0 0
Value of 5 bundles of hay at Rs. 4 per bundle ...	20 0 0	Value of hay 5 bundles at Rs. 4 each ...	20 0 0
Value of share in grass ...	4 0 0	Value of grass ...	4 0 0
	442 0 0		156 0 0
Deduct land revenue paid ...	28 0 0	Deduct expenses of cultivation to be entirely borne by tenant ...	148 8 0
Net income ...	414 0 0		7 8 0
But value of land is estimated at Rs. 3,000 per acre ...	8,490 0 0	Net income on farming and for his services of supervision.	
∴ Net return on capital outlay to landlord=4.87%.			

(b) When there is rotational second crop paddy in a year, paddy and hay as well as assessment are to be shared equally between lessor and lessee.

	Rs. A.P.		Rs. A.P.
Value of rent of 18 bags at Rs. 10-8-0 each (second variety paddy) ...	189 0 0	Value of gross yield after paying lessor's share ...	198 0 0
Hay 2 bundles at Rs. 2 each ...	4 0 0	Deduct expenses of cultivation ...	148 8 0
	193 0 0		44 8 0
Deduct half-share of Govt. demand payable.	8 6 0	Deduct half land revenue ...	8 6 0
Net income ...	184 10 0	Net income ...	36 2 0

Note :—It is evident, if there is second crop paddy in a year it is to the advantage of tenant. If no second crop paddy is raised usually sunhemp is raised which goes to the tenant as cattle feed.

(ii) On one acre of land taluka (Delta) whe given to the land.

Income of landlord.

	Rs. A. P.
Value of rent of 11 bags of paddy at Rs. 10-6-0 per bag (2nd rate variety)	114 2 0
Deduct land revenue etc.	10 2 0
Net income ...	104 0 0

Note :—From the above tire produce of mately suffici cultivation and that no share produce raised to be paid to value of second together with on ridges of income to ten of tenant and farming and by tenant whi count in esti tion are to be

No. 2

Ma kta (*rents fixed in kind*) system.

in a village in Coconada re no share in straw is to be lord :—

Income of tenant.

	Rs.	A.	P.
Yield of paddy 17 bags (average) in the first crop at Rs. 10-6-0 per bag ...	176	0	0
2nd crop pulses one bag accruing to tenant at Rs. 18 ...	18	0	0
2 cart loads of straw at Rs. 8 per cart load ...	16	0	0
	210	6	0
Deduct expenses of cultivation and miscellaneous expenses ...	59	6	0
	151	0	0
Deduct rent paid to landlood ...	114	2	0
Net income ...	36	14	0

(iii) On one acre of land in a village in Madanapal taluka (Dry), where in addition to fixed grain rent a fixed amount in cash is also to be paid as rent :—

Income of landlord.

	Rs.	A.	P.
Value of rent of 32 seers of Sajja	16	0	0
Amount of money collected besides rent ...	2	8	0
	18	8	0
Deduct land revenue ...	2	4	0
Net Income ...	16	4	0

Income of tenant.

	Rs.	A.	P.
Value of gross yield of Sajja 1½ bags at Rs. 50 per bag.	75	0	0
Value of straw etc. ...	10	0	0
	85	0	0
Deduct expenses of cultivation ...	50	0	0
	35	0	0
Deduct rent paid to landlord ...	18	8	0
Net Income ...	16	8	0

examples, it is seen that en- first crop may be approxi- ent to meet expenses of landlord's rent (provided in straw or in other kinds of in the second season are not the rentier). Straw and the crops as pulses or sunhemp vegetables and grass grown fields may be considered as ant out of which the wages his family labour, risks of other contributions made ch are not taken into ac- mating expenses of cultiva- met with.

* *N.B.*—In the above examples, no deductions are made towards interest on capital outlay involved in the areas concerned in case of landlords.

STATEMEMT

Showing incomes of rentiers and tenants

(i) On one acre of land raised with food crops in a village (dry) in Kovvur Taluka (W Godavari District) :—

(a)

Income to landlord.		*Income to tenant.*	
Rent as per lease	70 0 0	Value of gross yield 3 bags budama at Rs. 35 per bag ···	105 0 0
Land revenue ···	3 8 0		
Net income ···	66 8 0	Value of straw ...	15 0 0
Value of land Rs. 1,500 per acre at prevailing prices.			120 0 0
		Deduct expenses of cultivation ···	45 0 0
Net return on capital out-lay at prevailing land values = 4.4%.			75 0 0
		Deduct rent to landlord ···	70 0 0
		Net income ...	5 0 0

(b) On one acre raised with fixed crops, cholam and red gram in the same village in Kovvur taluka (Dry) :—

Income to landlord.		*Income to tenant.*	
Rent ...	80 0 0	Value of gross yield 1½ bags cholam at Rs. 50 per bag ···	75 0 0
Land revenue ...	3 8 0		
Net income ···	76 8 0	Value of red gram one bag at Rs. 70 per bag ···	70 0 0
		Value of straw and red gram 'Kampa'	15 0 0
			160 0 0
		Deduct expenses of cultivation of both the crops raised ···	55 0 0
			105 0 0
		Deduct landlord's rent ···	80 0 0
		Net income ···	25 0 0

(ii) On one acre of land Kovvur taluka

Income to landlord.	
Rent ···	250 0 0
Land revenue ···	4 8 0
Net income ···	245 8 0

Note :—It is gathered (Virgenia) in this profitable during used to be former are said to have of tobacco farm scale conversions tobacco gardens tion among supp company. The on its colour, the While grading, quality are rated rates.

N. B :—In the above examples, however, no deductions are made towards

No. 3

under Cist (*fixed cash rents*) *System.*

raised with tobacco in (Dry) :—	(iii) On one acre of land grown with sugarcane in Narsapur taluka (Delta) :—	
Income to tenant.	*Income to landlord*	*Income to tenant*
Value of gross produce 1½ candis (average) at Rs 250 per one candy + (plus) Rs. 300 per ½ candy ... 400 0 0	Rent ... 400 0 0	Value of gross yield of 17 puttis per acre at Rs 100 per putty (prior to 1946-47, one putty of sugarcane sold at Rs. 200 per putty) ...1700 0 0
Expenses of cultivation ... 185 0 0	Govt. demand ... 17 0 0	Cost of sugarcane waste when juice is extracted ... 5 0 0
265 0 0	Net income ... 383 0 0	1705 0 0
Deduct rent paid. 250 0 0		Expenses of cultivation including proportionate cost of bamboos and manuring per acre ... 700 0 0
Net income ... 15 0 0		1005 0 0
		Deduct landlord's rent ... 400 0 0
		Net income 605 0 0

that tobacco cultivation taluka was found not so the last two years, as it ly. In fact some ryots incurred losses on account ing due to rapid large of cultivated areas into and consequent competi- liers of tobacco to the price of tobacco depends index of its quality. produce of fine colour and high, and others at lower

Note :—Generally lands raised with heavy garden crops like sugarcane, plantain and lemons are cultivated by landowners themselves and are not leased out. If such valuable lands fit for cultivation of heavy crops are rented out, usually cultivation of such crops by a tenant is prohibited in the lease contract, as it improverishes the soil. Broadly speaking, there is no doubt that cultivation of cash crops is more profitable than cultivation of food crops under normal conditions.

interest on capital outlay involved in the areas concerned in case of landlords.

STATEMENT

Showing income of owner cultivators, of rentiers and tenants under

Nellore

Name of party	Extent cultivated Wet or Dry (in acres)	Crops grown (Mention if more than one crop is raised)	Nature of irrigation or water supply	Gross yield (in *seers*)	Value of gross yield including straw (Rs.)
(*i*) *Owner-Cultivator*					
1. Mr. R. Venkayya ...	2·66 (wet)	Paddy	Under tank irrigation	2986	873 0 0 *St. 80 0 0
2. Mr. S. Chidambarayya	2·01 (wet)	Paddy	,,	1680	210 0 0 St. 45 0 0
3. Mr. M. Subbareddi ...	0·75 (dry)	Ragi	Under tank irrigation (water to be lifted)	630	126 0 0 St. 22 8 0
(*ii*) *Under Makta tenancy*					
4. Mr P. Adireddi ... (Lessee)	1·0 (wet)	Paddy	Under tank irrigation	1120	140 0 0 St. 30 0 0
5. Mr. P. Venkataramanayya (Lessor)	1·0 (wet)	Paddy	,,	...	...
(*iii*) *Under Share tenancy*					
6. Mr. P. Kondareddi ... (Lessee)	1·20 (wet)	Paddy	Under tank irrigation	1008	126 0 0 St. 27 0 0
7. Mr. Ch. Venkatanarasarao (Lessor)	1·20 (wet)	,,	,,	...	...

* St. = Straw.

N.B. :—In the above cases, no deductions are made towards interest on
It may be noted that the wet lands under reference under the *Makta*
accounts for its being leased out under the sharing-system and also

No. 4.

Makta *and* Palu *systems in Tallapalam Village (Kavali taluka, District)*

Expenses of cultiva-tion. (Rs.)	Value of share given to Rentier under tenancy (Rs.)	Amount of Govern-ment demand including water tax and local land cess (Rs)	Net income. Total holding cultivated (Rs)	Net income. per acre (Rs.)	Number of working members in the farmer's family.	Remarks (Additional matter) if any
157 5 0	...	17 0 0	278 11 0	...	8	In this village generally dry land is cultivated by owners and not leased out.
118 0 0	...	14 6 0	122 10 0	...	1	
59 10 0	...	2 8 0	86 6 0	...	5	
69 0 0	†Grn. 70 0 0 St. 2 0 0	...	39 0 0	39 0 0	2	
...	...	7 13 0	64 3 0	64 3 0	...	
70 13 0	63 0 0 St. 2 0 0	...	17 8 0	14 3 0	2	
...	...	7 11 0	57 5 0	47 12 0	...	

† Grn. = Grain.

capital outlay involved in the areas concerned in case of incomes of landlords. and *Palu* are not of the same fertility, the latter being relatively poorer which to some extent the lower yields and incomes obtained by the parties concerned.

Makta or *Palu* systems (barring a few exceptional cases); that which is realised by a cash tenant is palpably lower. However, it does not hold water in respect of the sugar-cane grower in Narsapur Taluka during 1946 or as a matter of that of a tobacco-grower even in Kovvur Taluka in the years 1942-44, when prices of sugarcane and tobacco were lucrative. In other words, under cash-tenancy, the economic gains made by tenants growing commercial crops are better than those that raise food-crops. It may be incidentally pointed out that the years following 1946, depressed the bloated expectations of the sugarcane growers due to a temporary fall in prices of *gur*. Making due allowance in the differences in fertility and for variations in local conditions, broadly stated the income effects of share-tenancy viewed from the angle of a tenant, are not worse off than those under fixed grain or cash-rents system as ruling in the province at present. In fact, in absence of any tenancy legislation in the ryotwari areas of the Province there has been a larger extent of rack-renting under the fixed-rents systems by screwing up rents to a high pitch than under share-tenancy which is largely governed by custom. In a few cases the relation of rents paid (net) to the value of rented lands is also shown.

Generally speaking, it may be seen that the tenants, on the whole, are not having a fair margin after payment of rents and meeting the expenses of cultivation. In many cases, the rent and costs of cultivation may absorb the entire value of the yield from land leaving perhaps some straw to the tenant by way of profit. It is often said that a ryot takes up land, not because it gives him a lucrative gain but that it may give him some secured source of employment, besides the social prestige, thus saving himself from the trouble of going from field to field in search of precarious employment. Migration to distant places, is not easy for

persons having large families unless facilities are offered by Government. As they have no sufficient capital to start a business, if they give up farming as tenants, they have to work as farm servants or as casual labourers. In other words, if cultivation is abandoned, there is no other alternative to provide them with work and bread. Farming of tenancy lands, in fact, provides a supplementary income for many petty owner-cultivators in these parts.

Effects on the efficiency of tenant's farming operations : Tenure arrangements influence both productive and distributive efficiency of agriculture. In the preceding discussion the income-effects or the distributive efficiency of the three types of tenancy, in so far as the incomes of landlords and tenants are concerned, are indicated. It remains now to turn to the effects of tenancy conditions on farming efficiency or the agricultural efficiency and on the working of the socio-economic system. In the words of Rainer Schikele, 'Efficiency refers to the degree of success with which a definite device is used to achieve a definite purpose .... Where these devices and their purposes are simple and directly measurable, their efficiency can readily be expressed in terms of in-put-output ratios '[1] Thus the concept of efficiency is significant only when it refers to a specific means-end relationship.

Assuming that there are no provisions for compensation for the unexhausted improvements effected by a tenant, or for protection of the occupancy of land by a tenant from arbitrary termination of the lease (in view of absence of Tenancy laws relating to the ryotwari areas), theoretically speaking, the following conclusions follow, if it is also assumed

1. See: Effect of Tenure Systems on Agricultural Efficiency—by R. Schikele, Vide Journal of Farm Economics, Vol. XXIII, 1941 Pp. 185-207.

that the farmers (both landlords and tenants) behave rationally and try to realise their economic end in maximising their net incomes from farming :—

(a) Under the *Koulu* system, whether it is the *cist* (cash) or the *Makta* (fixed-grain) system, the tenant is free with regard to farming operations. Under the *cist* system the tenant has an additional advantage of growing even the heaviest cash crops (commanding most lucrative prices), if they can be raised on the farm and the raising of which is not prohibited explicitly in the terms of a lease. The tenant is not interested in the improvement of land due to unertainty of tenure and as such tries to make the best out of the soil before the lease expires.

All the residue left over and above the specified rent payable to the lessor goes to the tenant, At the same time, the tenant's interest would be to push up his application of non-durable factors (as labour, operating equipment etc) at least to the point of equi-marginal returns with whatever durable factors (like permanent improvements etc.) furnished by the landlord, because beyond that point further application of his non-durable factors (within the same combination of all the factors of production) might result in the marginal costs going up higher than the marginal returns of his non-durable factors. It is evident that the maximum efficiency of tenant's operations may not and often does not coincide with the maximum efficiency of the farming enterprise, partly because of the division of control over other productive factors between the landlord and tenant and partly also owing to the probable difference in their relative scales of valuation of costs and returns of their respective factor contributions and in the ends pursued by them.

(*b*) Under the *Palu* (Share-tenancy) the above considerations equally apply with regard to 'bringing the intensity of both durable and non-durable factor inputs to the optimum as well as achieving the optimum combination of factors and production plans'. In addition, there is a third consideration affecting crop yields which depend on the intensity of application of non-durable factor inputs such as labour, seeds, manure etc., by a tenant. Under the share-tenancy where the division of the produce between the landlord and tenant is in the proportion of $\frac{1}{2}:\frac{1}{2}$ or $\frac{1}{3}:\frac{2}{3}$, with a view to maximise his income the tenant would increase the inputs of his non-durable factors upto the point where the marginal cost equal to one half or two thirds their marginal returns; because the benefit of any further addition of inputs would go to the landlord also who does not compensate it by a proportionate contribution to the tenant for the extra costs incurred for producing that portion of the benefit reaped by landlord. If a tenant operates the farm more intensively than the extent envisaged as above, he would be paying to the landlord an additional privilege rent along with the specified share of rent as in case of a vendor handing over to a vendee a cow-in-calf for the same sale-price of a cow unwittingly. Thus as compared to the conditions under the *cist* or the *Makta* systems, the intensity of farming oprations and hence the efficiency of farm enterprise as a whole tends to be lower under the *Palu* system.

In other words, as Prof. Carver puts it, 'under the principle of diminishing returns the cash tenant can afford to increase the intensity of his cultivation upto the point, where the additional cost approximates in amount the additional product, whereas the share tenant could only afford to carry the cultivation upto the point, where the additional cost would equal in amount *his share* of the additional

MADRAS INSTITUTE OF DEVELOPEMENT STUDIES
74, SECOND MAIN ROAD
...-600020

product '.[1] Since a tenant under the fixed-rent system gets all the advantages of his own better farming, while a tenant under the crop-share system secures only a share of that advantage, it is observed that the former is conducive to more intensive cultivation of land than the latter, though there is a danger of a rapid exhaustion of the future fertility of the farm under the first.

On Improvement and Productivity of land: Apart from the effects on the entrepreneurial efficiency of tenant's farming, the general effects of the two systems of tenancy on improvement of land and on productivity of agriculture call for a more systematic study in the field of research in agricultural economics than hitherto has been given. On theoretical grounds share-tenancy has not been favoured by western writers. To quote only a few opinions, for example, it has been observed that under crop sharing while the loss by a bad season is lessened, the tenant has to share the gain of a good season; incentive to exertion being thus reduced, the tendency is to diminish output. Marshall opined, that the tenant undertaking to pay half the share of produce " will only apply so much capital and labour as will give him returns more than twice enough to repay himself ". Land would not be therefore, intensively cultivated by the tenant and any surplus labour and capital he had would be divested to other areas or purposes.[2] Mr. H. R. Steward observes in a similar vein viz., one of the greatest disadvantages in *Batai* system, according to him, lies in the reduced incentive to efficiency and improvement on the part of the tenant. Whereas the entire results accruing from the adoption of better methods of culti-

1. See. Principles of Rural Economics by T. N. Carver, U.S.A., 1911, ch IV, Pp. 231-234.

2. Some South Indian Villages, a Resurvey, 1940, Part II.

vation, better seed and uptodate implements are reaped by the peasant proprietor, the share-tenant is always confronted with the fact that the benefits resulting from any expenditure on his part in improvement go as much to swell the income of the landlord as to increase his own returns. Sharing-tenancy is said to be one of the causes for the slow rate of progress made in the improvement of agriculture. It is also observed that where the landlords have provided manure, improved implements etc to the tenant under share-tenancy they have found in the long run, that such expenditure has well repaid them.[1] Similar views have been expressed by many economists which may be partly held responsible for the general discredit into which crop-share system has been subjected to in some of the highly commercialised agricultural regions of Europe, notably in England, Germany and the Scandinavian countries.

Other Social Effects : The evils of Sharing or fixed-tenancy systems are in the final analysis have their roots laid deep in the institution of tenancy itself. The practice of farm-leasing, gives rise either to poor farming by poor tenants or impoverishment of the soil due to over exploitation by some unscrupulous ones. Tenancy is responsible for conditions of insecurity to have a stake on the farm in order to eke out one's livelihood for a large number of peasantry and at the other a stratification of society into two permanent classes of tenants and rent-receivers apart from other intermediaries. On the social side, due to growth of tenancy 'community organisations are stifled, basic institutions (as schools etc) languish, wealth levels are lowered, living standards are inadequate and human individuals lose the

1. Cf. Some aspects of *Batai* Cultivation in the Lyllapur District by H. R. Steward, 1926.

respect of themselves and others.'[1] Some of these evils are certainly intensified under the *cist* and *Makta* systems, where a landlord technically keeps little connection with the tenant or his rented farm except in the matter of recieving rents or recovery of arrears. Fixed tenancy especially of the cash type encourages 'absentee ownership', when the landlord lives at a distance in a town or a city and is interested not so much to raise productivity of his farms as to enhance rents from his present or prospective tenants. Naturally, he cannot appreciate the difficulties of the tenant as a resident landlord can, and he is apt to be more callous in enforcing the terms of the lease contract or in his dealings with the tenants in times of difficulty or bad crops, whereas under the *Palu* system, there is ample scope for the landlord and tenant to come into contact more closely and more often and the former in taking a direct interest in farming operations and also in the improvement of land. A big landlord, in fact, can devote his available time and funds on problems of soil improvement, selection of crops and marketing of produce, while the tenants are fully absorbed in the immediate task of effecting timely operations and the raising of crops. Under the sharing system, since rents are governed by custom and also on the yields obtained every year, the landlords will be as anxious as tenants to reap better harvests instead of trying to enhance their incomes by changing tenants frequently as in case of other types. If a share-tenant is found honest and hardworking, the landlord has little temptation to change him and hence the periods of lease or the chances of renewal of leases are greater under the *Palu* as contrasted with the *Koulu* system. Whatever be the force of arguments advanced by some regarding the harassment of share-tenants by their landlords in farming of the rented

1. Vide. The Social Economics of Agriculture, opp. cit, P. 194.

lands, there is no doubt that by the very nature of share-tenancy, the social relations between the landlords and tenants are bound to be more amicable, otherwise it would be hard to get on for both of them. When disputes arise for whatever reason, the sympathies of the villagers will be on the side of a good tenant as against a non-resident lessor but opinions are prone to be devided, if both landlord and tenants reside in the same village or in the neighbouring villages.

Resume: All this may be true not only with the European and American agriculture, it may be true also in certain cases in India. A substantial and energetic farmer may prefer to take land on lease on fixed rents in cash or kind to share-tenancy. The results of personal enquiries show that some times the tenant takes greater interest in farming under the *Cist* and *Makta* systems than he does under the *Palu* system in which the landlord's interest in farming is said to be greater. But it is doubtful, whether any remarkable divergence is noticeable in the relative efficiency of cultivation under the fixed and sharing systems in the province, for tenancy farming by itself is generally attributed with low standard of farming. In other words, no substantial evidence is obtained to prove, if a farmer takes on lease two similar plots of land, one under fixed system and the other under sharing system, that the cultivation carried on under the former is far better than that under the latter. The rentiers could not testify that tenants under fixed tenancy in kind or money do better farming than the *Palu* tenants.[1] Although

1. While comparing productivity of land under the two types of tenancy, we have to take into account also the nature and fertility of respective lands and the farm capital and the economic condition of the tenants concerned in general. Differences in productivity may be also sought in differences of natural conditions apart from the difference in the entrepreneurial efficiency of tenant farming. The success of farming depends in a high degree on the geographical and climatic conditions, on the physical and chemical qualities of the soil, on the frequency and

all the benefits of better farming enterprise exclusively go to the tenant after payment of rent to landlord, in practice owing to the poverty of the bulk of the tenantry and also owing to uncertainty of harvests on account of the vagaries of climatic conditions, even under the fixed tenancy system, land is not in practice put to its maximum advantage in India, as commonly supposed or asserted under the stimulus of conceptions of pure theory. On the contrary, it is observed by some, equally well informed, that the output under *Palu* may be larger than that under *Koulu*, for one chief reason that the landlord takes greater interest in land and may supply manure, capital, implements, etc. as the share due to him varies directly with the total output from the farm. Secondly, as a method of exploitation of the tenants, in absence of any regulation of tenancy conditions in the province, both types are equally oppressive and, in fact, under the existing conditions, in a good number of cases fixed rents, *Makta* or *Cist*, are found at present to be more exacting than share-rents due to lack of any regular practice of remission of rents. In case of fixed rents system, whether the rentier is residential or non-residential, the divorce between ownership of land and cultivation is complete which may result in neglect of land on the part of some tenants in absence of periodical checking by a landlord. Under *Makta* or *Cist*, the tenant is entirely at the mercy of the rentier with regard to rents, while under sharing system, if the tenant is strong and resourceful, he will occupy a relatively advantageous position.

intensity of insect, fungus, or other pests and diseases and on the capital and skill of the individual farmer. Further, the degree or farm in which these different factors exist in a locality or a province and the way in which they are combined with one another in actual operation determine the productivity of agriculture or account for the variation in yields or farming efficiency. (cf. Also, Productivity in European Agriculture by A. Daniel, Vide the Review of Economic Studies, Vol. XII (1), No. 31 (1944-45) Pp. 50-70).

CHAPTER VII

SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

The main problem : Of all the problems of agriculture, the problem of the relation of the farmer to the land he cultivates is perhaps of vital interest not only to the economist and to the well being of the community but also for the efficiency of agriculture. Is it preferable then to a farmer to own the land he tills or to take it on lease or to work on it as a salaried or a wage-earner? If he takes it on lease, is it better to lease it on cash rent, fixed-rent in kind (grain) or as some kind of division of the produce? There are no two opinions as to the merits of owner-farms over tenant-farms and from all the social and economic considerations better to own a farm than to work it under tenancy in whichever form, although it cannot be disputed that under certain circumstances tenants may be found to be better farmers than owers.

The agricultural dilemma and its remedy: But the second aspect of the question presents a serious dilemma. It is really difficult to tell a farmer about the preference of the different forms of tenancy or to establish conclusively which of these systems is economically better or superior to another in practice, because the varieties of each are more are less adopted to the different economic and physical conditions. Prof. T. N. Carver,[1] like many others, tried to prove " that cash tenancy is superior to share-tenancy as a general economic system, provided the soil can be safeguarded so as

1. Cf. Principles of Rural Economics by T. N. Carver, Boston, U. S. A., 911, Pp. 232-4.

to keep the cash tenant from mining or exhausting it during the term of his lease", but at the same time he was compelled to admit that "there are special circumstances under which share rent may prove more satisfactory". Alfred Marshall too thought that the efficiency of farm-production would suffer under-share tenancy as contrasted with cash tenancy but conceded that 'the advantages of *metayage* are considerable, where the holdings are very small, the tenants poor and the landlords not averse to taking much trouble about small things'. But the question is to what extent these theoretical postulates hold good regarding tenancy conditions as they are actually found in different parts of the world. In fact, the effects of both the systems of tenancy are determined in a large measure on the conditions of lease agreements as also on the mutual goodwill between landlords and their tenants. The fact remains that with the exception of a few countries (at least, in some regions of those countries), no satisfactory tenancy-agreements are worked out for the benefit of the peasantry even under the so-called cash-rents system. It is at least for this reason, that cash-tenancy instead of leading to a high degree of entrepreneurial efficiency of tenant-cultivated areas, has been the cause of rack-renting and depletion of soils owing to screwing up rents and growth of heavy cash-crops. They often give rise to the practice of *advances* to landlords which is obtained in its acute form of *rent deposists* in China. On the other hand, some of the evils associated with share-tenancy, which adversely effect the incentive to carry on effective farming are mitigated by several facts and modifications of the terms of lease-contracts as in the U.S.A. and Italy. For instance, even in India, in some areas the landlords supply manure or share in the operating costs of transplantation, of re aping and harvesting, and in the cost of seed

(Cf. Chapters II and III.) Thus a sharing of a part of the operating costs by a landlord mitigates the depressing effects of share-tenancy on the intensity of farm-operation. Evidently, these undesirable effects can be completely eliminated and the farms operated intensively to the point of maximum efficiency, only if all the costs of crop production are shared in equal proportions between the landlord and the tenant. But the obstacle on the way of evolving such an ideal type of share-tenancy in the light of this proposition is perhaps that usually the remaining expenses of labour and costs of operating equipment are borne wholly by the tenant. If this matter is properly adjusted and a system of *co-partnership* developed under which all the expenses of cultivation are borne equally by the landlord and the tenant, the type of share-tenancy so innovated would be theoretically as good or as bad as any other form of tenancy. In view of the fact that the bulk of the tenantry, generally speaking, are poor and lack the necessary funds to operate a farm as intensively as it is presumed under the cash-rents system, such a co-partnership would be even superior to any other form of tenancy, viz., fixed-rents in kind or cash. It is twice-blessed because it encourages watchfulness, fosters mutual faith and honesty and discourages the increase in the class of the great rent-receivers.

Neglect of farms and the need for well-conceived lease-contracts: However, from the discussion in the preceding chapters it is obvious that the conditions of tenancy are the most disquieting in India and a large number of the landlords under the *batai*, more or less in the same manner as their counterparts under the cash or *Makta* systems, do not appear to take substantial interest in the farms or farming operations except at the time of sharing of produce.

Improvement of land seems to be neither the concern of the tenant or the landlord, each competing with the other to make as much as possible out of the produce of the land for himself. Such tendencies hamper productivity of land leading to low incomes and low standards of living of the peasantry which, in turn, will lower production and accentuate the evils ofwant and privation. Any material advancement in the situation involves a definite improvement in the terms of leases especially in respect of regulation of rents, security of tenure and compensation for improvements made. It is through salient tenancy provisions and proper lease-agreements systematically developed, the evils of share tenancy in the U.S.A., Italy and France[1] and those of *leases* in England, Germany, Netherlands and other countries of commercialised agriculture are lessened to a great extent.

The Presidents' Committee Report: The Report of the President's committee on Farm Tenancy in the U.S.A. recommended[2] the inclusion of the following provisions:—

i. Agricultural leases shall be written ii. all improvements made by the tenant and capable of removal shall be removeable by him at the termination of the lease iii. the landlord shall compensate the tenant for specified unexhausted improvements which he does not remove at the time of quitting the holding, provided that for certain types of improvements the prior consent of the landlord be obtained, iv. the tenant shall compensate the landlord for any

1. Cf. 'Through adjustment to the conditions of agriculture conducted on rational lines, metayage has made a notable contribution towards the improvement of farming standards in France' Vide International Review of Agriculture, see 1940, P. 399 E.

2. Vide. Report of the President's committee on Farm Tenancy, Washington, 1937, Pp. 17-18.

deterioration or damage due to factors over which the tenant has control, and the landlord shall be empowered to prevent continuance of serious wastage v. adequate records shall be kept of out lays for which either party will claim compensation vi. agricultural leases shall be terminable by either party only after due notice given at least 6 months in advance vii. after the first year, payment shall be made for inconvenience or loss sustained by the other party by reason of termination of the lease without due cause viii the landlord's lien shall be limited during emergencies such as a serious crop failure or sudden fall of prices, where rental payments are not leased upon a sliding scale ix. renting a farm on which the dwelling does not meet certain minimum housing and sanitary standards shall be a misdemeanor, though such requirements should be extremely moderate and limited to things primarily connected with health and sanitation x. landlord and tenant differences shall be settled by local boards of arbitration, composed of reasonable representatives of both landlords and tenants, whose decisions shall be subject to court review, when considerable sums of money or problems of legal interpretation are involved.

The above provisions confine themselves chiefly to the aspects of compensation, termination of leases, settlement of landlord-tenant disputes, sanitation and housing. The important lacunæ, however, are the provisions regarding rents and their remission, period of leases and such other stipulations for regulating the practices under the crop-share system. With these additions, the tenancy provisions outlined in the recommendations of the Presidents' committee report would surely take us a long way to improve tenancy conditions and to regulate the landlord tenant relationships in India.

Principles of Regulation of Tenancy Practices: With a view to simplify and regulate tenancy situation in the country, the following guiding principles may be laid down by each of the Provincial Governments with modifications, if necessary, to suit their local conditions. Such principles in effect may be given a legal sanction and a contravention of any of them constitutes an offence liable to punishment:—

Under *share-tenancy*, the produce may be shared in equal proportions between the landlord and the tenant on flow-irrigated lands, on flood inundation lands and on rainfed lands, after deducting the costs of manure, seed and harvesting from the produce before division of crop. On the lift-irrigated lands or lift-cum-flow irrigated lands the tenants' share must be two-thirds the produce and the landlord has to supply or bear the capital outlay on the equipment as a leather bucket or a Persian wheel, while the tenant has to bear the operating and maintenance charges (charges for the mechanical or animal and human power necessary to operate the equipment). For crops like cotton, where the crop has to be harvested on a number of times and not all on one occasion, the matter of the division of the produce may be finally adjusted at the end of the entire round of pickings. ii. The landlord has to bear the Government demand on the farm and the tenant all the remaining expenses of cultivation. iii. The same conditions of sharing and contributions may hold good regarding second and subsidiary crops as paddy, cereals, pulses and oil seeds with the exception of fodder and manure crops. For fodder crops, the tenant has to bear all the expenses of cultivation including seed and havesting charges along with the dues payable to Government, since he need not give any share to the landlord. It is reasonable, if all the expenses of cultivation inclusive of Government *Kist*

are shared equally with regard to manure crops wholly applied to the farm itself. The nature of crops raised and rotation of crops has to be decided upon by the two parties at the beginning of each year well in advance. iv. The right of a tenant over at least two-thirds of the straw (in the basic and second crops) for proper upkeep of his live stock has to be recognised and generally straw should not be allowed to enter into determination of rents or the landlords' share, although a landlord may claim a few bundles of straw as his share upto maximum of one third of the total quantity, in case he maintains some livestock. Similarly, the vegetables and pulses grown on ridges or bunds of fields may be allowed entirely for the tenant for his domestic consumption, provided that they are not raised in a manner or on a scale considered detrimental to the crops on the farm. v. Deductions of any sort e.g., *abwabs*, perquisites etc should not be made from the common pool before division of the crop, or collected from a tenant in any way. A tenant has also no obligation to do labour, customary or otherwise, for the benefit of the landlord against his will and the landlord has to pay for the work done by a tenant at the wage-rates prevalent in the locality. But if the tenant has no objection, the labourers have to be paid their *mamools* in kind or cash in accordance with the customary local practices at the time of harvesting. vi. The landlord has to ensure, at his expense, the proper maintenance of the mainwater courses (channels) leading from the main source of irrigation—water supply (canal or tank) to the fields, while the tenant in his turn is responsible for construction and maintenance of irrigation bunds and field water-courses. vii. All the leases are to be written and the period must be for at least six years. No sub-letting or transferance of leases are permitted by tenants. The landlord can, however, take over his lands at any time at the

expiry of lease or with one year's notice to a tenant during the period of a lease for purposes of his *bona fide* cultivation. viii. After the expiry of a lease. adequate compensation has to be given for damages done or improvements made to the landlord or an outgoing tenant. ix. Proper accounts have to be kept and receipts issued to tenants for all payments made in connection with rents or loans advanced. x. If disputes arise between landlords and tenants in respect of any of the above, they may be tried by local committees consisting of an equal number of landlords and tenants presided over by an impartial judge in the villages where the fields are located, before approaching civil courts. These committees have also the right to decide the cases where landlords want to lease out their lands to some other persons on the same conditions instead of renewing the lease to the old tenants on application from a tenant. If the holdings of a lessor are found to be of economic size and in compact blocks, it must be seen that the sizes of the rented farms may be fairly adequate and he must not be permitted to split up his holdings into fragments and to lease them to a number of persons instead of leasing them in reasonable size, if tenants are forthcoming to lease on them as economic holdings. If a maximum size is specified for soils of different productivity (e.g., good, mod-rate and poor) which even a tenant can cultivate with or without his own holdings, the possible concentration of land under this provision can be prevented ensuring at the same time efficiency of cultivated-units.

Where the systems of fixed-rent in kind (*Makta*) or cash (*cist*) are found to exist, they may be allowed to continue along with the share-tenancy system, in accordance with the custom or the choice of the parties concerned. But their rents and practices have to be regulated too at the same time

and at the same level as under the share-tenancy. The rates of rents may be fixed in kind or cash so as to conform to the corresponding value of the shares that may accrue to a landlord under the sharing system. It implies that due note has to be taken about the aggregate costs of manure, seeds and costs of harvesting at the time of stipulation of landlords' rent in kind or cash. All the above condltions regarding straw, period of lease, compensation, the rights and obligations of landlords and tenants equally apply to the *Makta* and *cist* systems. If crops fail, the tenant is eligible for reduction in the value of rent in the same proportion of the remission of land revenve obtained by the landlord. Any conversion of kind rents into cash, or share-rents into fixed rents, can be effected only at the beginning of an agricultural year with the full consent of the contracting parties within the period of the expiry of an existing lease.

From the personal investigations made by the writer in the Madras province and from such discussions as he could make with landlords and tenants not only in the Madras province but in the provinces of the C. P. and Berar, in the Karnatak and elsewhere, the tenancy provisions and the level of rents as outlined above appear to be amply justifiable and sound in the interests of both landlords and tenants as well as for efficient tenant-farming. When the concessions made in respect of straw, vegetables, fodder and manure crops and also regarding deductions of the costs of manure, seeds and harvesting from the produce before its division, (or for stipulation of rents in kind or cash), are taken into accoont, the share accruing to the tenant on the whole would not be less than that allowed under the provisions of the Bombay Tenancy Act (under the Act as amended in 1946, the share of the tenant is fixed at three-fourths of the gross produce in

case of irrigated lands and two-thirds in case of all other lands). In fact, in so far as Regulation of tenancy practices are concerned one can see that in some respects they mark a definite improvement over the provisions of the Bombay Tenancy and the Agricultural Lands Act of 1948. Apart from the fact that the above principles are somewhat more comprehensive in dealing with the tenancy situation from the point of view of those who are conversant with the farm practices and the problems of tenancy, they include, for example, measures to ensure proper manuring of the farms and conservation of the soil of the farmer, of live stock and his family generally which are not accorded due attention in the Bombay Act.

Stipulation of rents on the *basis* of the actual produce from land in preference to the estimation on the basis of the value of land revenue assessment (perhaps as a certain multiple of land revenue assessment) is indeed rational and scientific. In the first place, when the present land revenue system and, in particular, the rates as they are assessed and levied are subject to much criticism and innumerable draw backs[1], it does not appear sound to peg the level of rents to the rates of assessment, though the process may seem to be very simple. The suggestion of fixation of rents as a multiple of the rates of assessment of land revenue may perhaps contain an assumption that the present system of land revenue will continue for a long time without any reforms. When agricultural incomes are subjected to taxation, it must be noted that the taxes on land have to be reduced to a low level (as a flate rate) before the levy of the rates of Agricultural income tax. Otherwise, if the agricultural incomes are taxed, (as is actually the case in the Provinces and States of

1. See Pp. 69-71, Ch, IV, The Agrarian Problems of the Madras Province, opp. cit.

India where measures for taxation of agricultural incomes have been passed in recent years), keeping the existing rates of land revenue without reduction, the aggregate burden of both may be in fact heavy and unjust. Moreover, when settlements take place after a period of 30 or 40 years during which the rates of assessment remain the same, it is irrational to fix rents (cash rents in particular) on the basis of assessment, because if we do so, the needed adjustment of rents in step with the fluctuations in prices and the changes in expenses of cultivation and the maintenance of the farmer's family so vital in determination of rents will be completely lost sight of.

Regulation of individual lease-contracts : The guiding principles of the regulation of tenancy practices, (printed in the regional languages), are to be made available free to the ryots by the Revenue department of the Provincial Ministries through the Village Officers, giving due publicity as to their contents and availability. The sys em of written leases must be made compulsory and the individual agreements should be in a simple standardised form. The individual agreements contain full particulars about the rented land, period of lease and other special terms, if any, stating clearly that the agreement is in full conformity with the principles laid down by Government governing tenancy practices in respect of all other conditions not mentioned in the agreement. The agreements have also to contain particulars about the main occupation, the place of residence and father's name of the parties involved, as also about the period of lease and the tenant previously occupying the farm and they are to be attested by the signatures of two witnesses. A copy of the agreement may be given to the village *Karanam* (or Kulkarni) for record.

An ideal tenancy: One may ask, if the institution of tenancy has to continue in India for some time to come unless effective measures are undertaken to eliminate it by prohibition of land-leasing (barring some special cases as widows, minors or otherwise mentally or physically handicaped persons or when persons have to leave their villages temporarily on genuine national service or cause as war etc.,) or discouraging tenancy by fixation of rents at an unattractive level, differential rates of taxation of incomes received by lessors and through other ways, what has to be done or aimed at as an alternative? In otherwords, what type of tenant farming may be adopted in India avoiding at the same time the evils of absentee-landlordism and inefficiency of tenant farming? The solution may be sought in improving the *batai* system,† for it has a long historical tradition behind it and is indispensable to the prevalent conditions in India as long as the success of Indian farming is subjected to the vagaries of rainfall, and climatic behaviour, to frequent damages due to floods or insects and crop diseases. *Batai* farming may be reorganised into a

† Cf. A similar system has been springing up in some of the newer countries as Australia where large estates existed and migration, at any rate before 1914, was bringing plenty of settlers ready to take up cultivation but possessed of little or no capital. (A similar situation may soon be faced in regions of the new Dominions of India and Pakistan whose agriculture had been affected seriously by partition of the country). In the Wheat Belt of Australia, for instance, it has been customary for the owners of squatter estates to lease to '*Cocky*' farmers on the basis of half share in the produce as rent. The share method was also applied to other forms of production as vine gardens, and not unsuccessfully...... It is, however, a method of limited application suited only to relatively simple methods of farming and found to work smoothly, when farming followed a traditional routine that changed very slowly, if at all—*vide*, Reconstruction and the Land by A. D. Hall, London, 1944, ch. v, Pp. 140-41.

system of joint farming under a veritable co-partnership between the land-lord and the tenant. Landlords and tenants have to pool their resources together of manure, operating equipment and labour in a common endeavour of agricultural production bearing in equal proportions all the expenses of cultivation including manure, seeds, and even Government *Kist*. The residue has to be shared equally, after making deductions for the cost of manure, seeds, wages of labour, Government *Kist* and other miscellaneous charges incurred in agricultural production. After deducting the straw and fodder necessary for the upkeep of the work animals, the balance may be shared equally according to need or left to the tenant. Naturally, the landlord too gets half a share in vegetables and pulses grown on the ridges for domestic consumption. The effective working of such a type of farming is determined by the degree of mutual understanding, good-will, of the spirit of give-and-take and a change in the entire psychology among landlords and tenants called forth by the new-relationship implied under the system. If the system is found practicable and workable on a large scale, we will, perhaps, achieve what we want to achieve, *viz.*, disappearance of absentee-landlordism, improvement in landlord-tenant relations, a substantial rise in the productivity of land and with it the common well-being of the peasantry. A pertinent question may arise, then whether a landlord could prefer entering into a co-partnership agreement with a tenant to cultivating land himself with hired labour. If a landlord prefers to carry on farming himself to tenancy under such conditions, clearly it is a healthy sign desirable by all concerned. But the number of such persons among the bulk of the rent-receivers may constitute only a part. If the rest of the lessors are unable or unwilling to carry on cultivation jointly with the tenants,

they may be compelled to accept a nominal rent on their lands or dispose of their lands in favour of the cultivating tenants, owners of adjacent holdings or to a co-operative farming society at a price fixed by an Agricultural Lands Tribunal and recoverable in instalments spread over a series of years, if the purchaser of land is unable to pay the full amount at the time of the transaction.

Conclusion: In recent years, especially during the last one decade. there has been a shifting of ground from the sharing system to the fixed-rents system. Cash rents are increasingly becoming predominant with the rise in prices and growth of commercial crops rapidly displacing the fixed, produce rents or share-rents leading to rack-renting and depletion of soils, at any rate, in the Madras Province. There has been also spreading a prejudice directed against share rents as contrasted with fixed-rents in kind or cash among the countries of Europe and it is being taken for granted in India by some economists and responsible persons without hesitation. However, from the analysis submitted in the monograph, it is discovered that there is nothing fundamentally wrong with the form of share-tenancy. which, if properly amended, would prove probably more advantageous to the tenant under the physical and economic conditions prevailing in India.[1] If it is not possible to do away with tenancy in the near future in our country for whatever reason as in Denmark or Ireland, share-tenancy may be

1. *Note*:—The abstract in my book on the Agrarian Problems of the Madras Province, opp. cit, 1949, ch. XI, Page 315 should read as follows:—However, it is recommended that crop-sharing system (Palu) may be allowed to continue side by side with the system of fixed-rents in kind or money, so that whichever form of rents would be convenient and to the advantage of the tenant might be paid by a tenant.

reorganised into a type of joint-farming of landlords and tenants as equal partners. If the system of *co-partnership* is encouraged, the evils of tenancy would be reduced to a minimum. But the aim of state and national policies should not be merely to ameliorate the farm-tenancy situation but ultimately to bring about a significant decline in the tenancy ratios and an increase in ownership in the country through an all-round programme of regulation of tenancy, extension of education, and rural credit and ensuring the profitability of agriculture until the pernicious system of holding lands for purposes of leasing and not for owner cultivation would finally disappear from Indian agriculture.

APPENDIX

A. COPIES OF SOME LEASE DEEDS

(i) Extract of Document No. 803 of 1946 of Book 1 of sub-Registrar's Office, Hospet, (English translation)—Lease deed for 3 years at an average annual rental of Rs. 95/- relating to lands executed on the 24th of June 1946 equivalent to 10th day of *Jaisla Masa* of *Vyaya*, the Hindu calendar year.

The lease has been executed with the following conditions: viz., lessee has to enjoy the schedule lands for 3 years of Vyaya, *Sarvajithu* and *Sarvadhari*, by raising crops of his own choice. Irrespective of the fact whether the yields are good or bad or the land is laid waste, he has to pay the annual rental yearly at the time of harvest on the 15th day of *Magha masa* of every year, and obtain receipt from the landlord and then dispose of the produce of the land. In absence of a clear receipt from the landlord, the tenant's Statement of payment of the lease amount will not be taken note of. The amount of assessment of the land will be paid by Mr. V., the executant (i.e, lessor) and the lessee need not pay the assessment. During these three years, if any objection is raised for enjoyment of the land by the lessee, the lessor is responsible to clear off the said objections with his own money. The lessee should vacate the land after the expiry of the lease on the 30th day of *Magha masa* in *Sarvadhari* year and give possession of the same to the lessor.

The lessee, Mr. G. R., has consented to the above said conditions of the lease deed and has taken possession of the land.

Schedule of property. ... ...
Stamp-nil

S.R.O.Hospet }
Dated, 18-2-1947 } (Sd.) M. A. B, *Sub-Registrar*

(ii) Extract of Document No. 62 of 1947 of Book 1 of Sub-Registrar's Office, Hospet, (English translation)—Lease deed for six years at an annual rental of Rs 100/- relating to lands executed on 20th day of January 1947 equivalent to 13th day of *Pushya masa of Vyaya* year.

Lease deed executed by me (i.e, lessee) with the following conditions, viz., I shall raise dry crops at my option every year and pay you Rs. 100/-on the 15 day of *Margasira masa* and obtain receipt from you for the payment of the rental. Without producing the receipt for payment of rent, my words to that affect are not valid. *If I fail to pay the* annual rental on the stipulated date and if there is still some peroid left in the life of the lease of the rented lands, you are at liberty to cancel this present lease, and you have right to recover the balance of the lease amount from me and out of my moveable and immoveable properties. I shall enjoy the rented lands for six years till 20th day of January 1953, by regularly paying you the annual rental and after the said date I shall vacate the lands and put you in possession.

Stamp-Rs. 1-8-0.

(True Extract)

S.R.O.Hospet,
Dated, 18-2-1947

(Sd.) M. A. B,
Sub-Registrar.

(iii) Lease agreement entered into by us. I have taken the schedule property for lease for 4 years, from *Chitrabhanu* to *Parliva* to raise sugarcane for one year and paddy the subsequent year or alternate years. I agree to pay as rent 12 *herus* of jaggery at 11¼ maunds a *heru* by weight, the year I raise sugarcane, and

12 gudy's of paddy at 70 seers a gudy at your house the year I cultivate paddy. I agree to meet expenditure towards cost of manure, etc., and agree to meet the panalty, if any, it I raise some other heavy crop. Amount of land revenue on the rented farm and cost of transport of jaggery are to be borne by you every year. I agree to obtain a receipt from you after delivering the stipulated rents and to keep the land in good condition without causing any damage and will be prepared to hand over the land to you after the expiry of the stipulated period.

I, the owner of the said lands, do agree to all the above conditions and have given over the possession of the lands to you.

(True translation)

S. R. O. Kampti, 22-2-47. (Sd.) *Sub-Registrar.*

(iv) Lease agreement entered into by us. Schedule lands belong to 1st party, and the 2nd party has taken possession of the said lands on lease for a period of 4 years from *Sarvajitu* to *Vikruti*. The years I raise sugar cane, I agree to give you the best variety of the jaggery, 10 *herus* at $11\frac{1}{4}$ maunds a *heru* manufactured at the 'alimany', and in the years I grow paddy, I agree to give you 12 *gudys* of best variety of paddy grown, at 70 seers a *gudy* at your doors at Kampti village bearing all transport charges, while Government cess, cost of twine, and mat are to be borne by you. Every year, I agree to deliver you the stipulated rents and obtain a proper receipt from you. I agree to keep the land in proper order without causing any damage to the land and to deliver possession of the

land back to you after the expiry of the stipulated period of the lease.

Note: Value of jaggery for the 2 years is Rs. 600/- and value of paddy including transport charges for 2 years is Rs. 192/-. Total amount is Rs. 792 and average lease amount is Rs. 198/-.

I, the owner of the land, have agreed to all the above conditions and have given possession of the lands to you.

(True translation)

S. R. O. Kamti, 22-2-47 (Sd.) *Sub-Registrar.*

(v) Document No. 1098 of 1944 regarding lease of 3 acres 64 cents (dry) for 5 years, on cash rent of Rs. 50 yearly for the farm commencing from 31st May, 1944 up to the end of 30th May, 1959—(Registered in the Sub-Registrar's Office, Adoni.)

Particulars about the parties (lessor and lessee) regarding their caste, main occupation, place of residence and father's name............

Conditions of lease: The land under reference has to be taken possession of by the lessee for a period of 5 years on payment of cash rent of Rs. 50 yearly and the farm to be handed over to the lessor after the expiry of the lease. The lessee in addition to his liability to rent as above, has to pay the Government *Kist* himself (land revenue), has to manure the farm every year and maintain the land in good condition.

Particulars of land regarding area in acres and cents, survey number and boundaries.

(vi) Document No. 356 of 1947 registered at the S.R.O., Tenali regarding *Makta* lease of 4 acres 12 cents wet land (inam) at 37 *Kata bastas* (standard bags) for 5 years. Conditions of lease: (1) Rent of 37 bags of good and clean paddy (weighing 168 lbs. each) without straw or stones has to be handed over yearly to the lessor at his residence or at any place in Tenali town at the expense of the lessee (on his own or hired carts) on or before the 30th day of *Pushya Masa*: (2) A proper receipt has to be obtained from the landlord for the rents paid. (The rent in fact consists of Paddy worth Rs. 407, plus Rs. 31-6-0 towards *tahasilu* (Kist) and Rs. 4 towards *badugalu* (sundry expenses), in all Rs. 442-6-0 equivalent to the value of 37 bags of paddy. Thus in a way the govt. demand on land is also taken into account while fixing rent by the landlord). (3) The govt. *Kist* will be paid by the landlord, while any penalties that are imposed on land by govt. for whatever reason have to be paid by the lessee. (4) In case the lessee fails to pay rent on the date specified, he has to pay rent valued at the market rate of paddy on the date at 6% rate of interest charged till the date of recovery of rent. (5) The lease comes into effect from 10th February 1949 and lasts upto 9th February 1953. On the expiry of lease, he has to handover possession of land to the landlord without a *notice*. In case, if he fails to do so, the tenant has to pay all the expenses incurred by the landlord for taking such measures as are found necessary for taking possession of his lands. The landlord has no responsibility for the losses that may be incurred by the tenants during the period of the lease owing to draught or excessive rain or due to acts of *God* or *King* (political happenings).

Note:—Particulars about the land and the parties concerned are, as usual, mentioned at the end and at the beginning of the document.

(vii) Document No. 590 of 1946 registered at the S.R.O.. Narsipatam regarding lease of inam land having both the rights of Kudivaram and Malivaram) of about 6 acres wet (5 acres one plot and 1 acre another in the same village) on a rent of Rs. 350 per annum for a period of 5 years commencing from 22-4-1946.

Terms of lease: An amount of Rs. 350 towards rent per annum has to be paid in two instalments (the first falling on the second day of the month of *Aswayuja* and the second on the second day of *Pushya masa*) and proper receipts obtained by tenant. Failing which, an interest of 6% will be charged on the amount of rent due till the date of payment. On the expiry of lease, the tenant has to vacate the farm and shall not come on the way of the landlord to lease out his land in whichever way he likes. In case the tenant leaves the cultivation of the farm during the life of the lease, he is liable to pay compensation to the landlord in full for such losses as he might be subjected to.

N.B.—If some fruit bearing trees as Mango trees etc., exist on a farm, a special clause may be inserted to ensure their proper protection and pay additional money in lieu of the same.

(viii) Document No 1621 of 1946 registered at S. R. O, Adoni regarding a lease (*sagubadi*) of 4 acres 92 cents (dry) on a rent of Rs. 40/- per annum for a period of 6 years (4-6-1946 to 3-6-1952).

Conditions of lease: A cash rent of Rs. 40 yearly has to be paid on the land. Since an advance of Rs. 240/- is already taken by the lessor from the lessee, the rent payable every year will be adjusted against the amount taken as

advance and after the termination of the lease, the lands have to be handed over back to the lessor.

(ix) Lease contract for two years (15-8-46 to 14-8-48) on 1 acre 20 cents on crop-sharing system in Tellapalem village, Kavali Taluka. (Nellore district).

Terms of lease: The tenant has to apply manure at the rate of 10 cartloads (probably farmyard manure) an acre and has to cultivate the land bearing himself all the expenses of cultivation. The crops have to be harvested in the presence of the landlord (or his agent) and has to pay to the landlord at his house half the share of the main crop (Paddy) and two head loads of hay per acre. If there is ample water in the tank and a second crop (paddy) is raised in a year, the same has to be shared in the above proportions. If the crops fail, the sharing in equal proportion will apply only with regard to straw. The land revenue will be paid by the landlord. The lease shall have to be treated as cancelled, if the landlord wants to sell the rented land during the period of the lease.

Particulars of the parties and the farm as usual.

(x) Lease contract *Asara-Bil Makta* or simply, *Bil-Makta* for three years (10-8-46 to 9-8-49) for one acre in Tallapalem village (Kavali taluka)

Terms of lease: Every year 10 tooms (Paddy) and two head loads of straw have to be delivered as rent at the house of the landlord. If the tenant fails to pay rent any year, he is liable to pay the amount at the rate of paddy obtained in the month of May together with all the expenses incurred by the landlord for recovery of rent through a suit in a civil court (Perhaps as a last resort). If crops fail due

to inadequate rains or so, only the straw has to be divided in equal proportions and no *makta* rent need be paid. If it is found that the harvests are good on other farms and that the failure of crop on the rented land is due to the neglect or ineffecient farming on the part of the tenant, the tenant is liable to pay to the landlord the full value of the rent as per terms of the *Bil-Makta*. If a second crop is raised in a year in view of abundant water available in the tank, the crop is to be harvested in the presence of the landlord and half the share in grain and two bundles of straw have to be paid in addition to the usual rent on the basis of the first crop. The govt. *Kist* has to be paid by the landlord. The lease will be treated as invalid, if the landlord intends to sell the rented land in the lease-period. The tenant has to vacate the farm on the expiry of the lease period without any necessity of the landlord serving him with a *notice* to that effect.

As usual particulars about the parties and the farm concerned along with the signatures of two witnesses.

APPENDIX B.

Incomes of Landlords and Tenants (approximate) in some regions under different tenancy patterns.

I. On one acre of wet paddy land in a delta village in Tadepalligudam taluka :—

Costs of cultivation :	Rs.	A.	P.
Cost of ploughing (3 ploughings) ...	9	0	0
Cost of seeds (16 seers) ...	2	0	0
Cost of mannure (2 bags of groundnut)	16	8	0

	Rs.	A.	P.
Repairs to bunds (3 coolies), transplantation (10 coolies), weeding (10 coolies), harvesting (10 coolies), thrashing and carting (4 coolies) ...	37	0	0
Total (approximate) ...	64	8	0
Income of landlord :			
Cost of 11 bags paddy at Rs. 10 per bag	110	0	0
Cost of hay 2 bundles ...	8	0	0
...	118	0	0
Deduct Govt. *Kist* payable by landlord	10	0	0
Income to landlord, if no second crop is raised ...	108	0	0
Income of tenant :			
Cost of 5 bags grain left after payment of *makta* 11 bags at Rs. 10 each ...	50	0	0
Cost of hay 2½ cart loads at Rs. 10 per cart	25	0	0
	75	0	0
Deduct expenses of cultivation as above	64	8	0
Income to tenant, if no 2nd crop raised	11	8	0

N.B. :—In a year when a second crop paddy is raised, the tenant may get about Rs. 70 more as income (after paying as rent half grain and a third or a few bundles of straw out

of the 2nd crop paddy) out of which he has to provide half the amount of the Govt. demand on land and such other additional expenses of cultivation as are to be incurred. It may be pointed out that in certain instances, it is reported that half hav has to be paid also to the lessor in addition to the *makta* paddy in the first crop. In that event, it is too clear that there is little or no residue left for the tenant after paying rent and meeting expenses of cultivation.

II. On one acre of wet paddy land in a delta village in Tanuku taluka :—

Income of landlord :

Cost of 16 bags paddy @ Rs. 10-8-0 per bag	168	0	0
Cost of straw 3 to 4 bundles ...	12	0	0
	156	0	0
Deduct land revenue ...	10	12	0
	145	4	0

Income of tenant :

Cost of paddy left after paying rent (20—16 bags)=4 bags at Rs. 10-8-0.	42	0	0
Cost of straw about 4 cart loads at Rs. 10 per cart	40	0	0
Cost of sumhemp (raised in the 2nd season—gingelley can be also grown as an alternative to sumhemp), 80 head loads	80	0	0
	162	0	0

	Rs.	A.	P.
Cost of cultivation for the year as estimated	135	0	0
Income including the basic and secondary crops	27	0	0

Note :—It may be mentioned here that the cost of employment of labour for the chief agricultural operations on one acre (wet paddy) land in the village for the first crop paddy is given as follows :—

Cost of ploughing for 2 days at 2 ploughs a day	10	0	0
Wages of 8 coolies for transplantation.	8	0	0
Wages of 4 coolies for weeding at 0-12-0 per day	3	0	0
Wages 6 coolies for cutting ...	6	0	0
Wages 6 coolies for harvesting ...	6	0	0
Charges for carting and miscellaneous.	5	0	0
	38	0	0

III. On one acre of land raised with paddy in Pedana village in Bandar taluka :—

Income of landlord :

Rent 7 bags at Rs. 12 per bag ...	84	0	0
Deduct Govt. *Kist* = Rs. 8 Deduct cost of manure supplied =Rs. 16.	24	0	0
Income to landlord ...	60	0	0

Income of tenant:

	Rs.	A.	P.
Cost of 3 bags left after payment of rent at Rs. 12 per bag ...	36	0	0
Cost of straw 4 bundles at Rs. 4 per bundle	16	0	0
Cost of sumhemp (2nd crop 250 bundles at Rs. 6 per 100 bundles ...	15	0	0
	67	0	0
Deduct expenses of cultivation as estimated	53	0	0
Income to tenant ...	14	0	0

IV. The share-tenany (*Koru*) on dry, wet and garden lands as obtained in Nandavanam village, Udayagiri taluka (Nellore district) is of there kinds:—

(*a*) The landlord supplies manure to the tenant in *full*. In respect of garden dry lands and wet lands raised with irrigated dry crops, *sajja* and *ragi*, half the expenses of cultivation incurred after harvesting are borne by the landlord in addition to paying govt. *Kist*. The tenant bears the rest of the costs of cultivation and gives half a share in straw and produce to the landlord as rent. Any extra or additional income from land is likewise shared in equal proportions.

(*b*) In some instances the landlord supplies only *half* the manure, all other charges and receipts for either party remaining the same as above.

(c) In few others, *no* manure is supplied by the landlord and in that case no straw is given to him. All other conditions remain the same as under (a).

The following estimates made for one acre of different classes of lands and the note of explanation given by the Revenue Inspector of the firka concerned (Udayagiri taluka) may be referred to here, for whatever they are worth.[1]

On Garden Dry Lands

(a) *Under the Koru System* :

(i) Under *Koru* system of the first kind (*a*) when manure is supplied in full by the landlord :—

Value of the share of landlord :

Value of gross produce	Rs.	157	4	0
Deduct expenses incurred	,,	77	7	0*
Net income	Rs	79	13	0*

Value of the share of tenant :

Value of gross produce	Rs.	157	4	0
Deduct expenses incurred	,,	264	2	0
Loss of	Rs.	106	14	0

* *N.B.* :—Details of total expenses of landlord are as follows :

Cost of manure ...	Rs.	53	0	0

1. *N.B.*—It appears to me that the losses as shown to have been incurred by tenants are rather exaggerated by presenting bloated amounts shown under expenses of cultivation in each of the above cases and hence the above observations are so modified by me as to be true to a broad view of conditions of tenant-farming in the province.

Cost of labour subsequent to harvest	...	Rs.	15	10	0
Miscellaneous	...	„	5	13	0
			74	7	0
Land revenue	...	„	3	0	0
Total		„	77	7	0

(ii) Under the *Koru* system of the second kind (*b*), when the landlord supplies only half the manure:

Value of net income to landlord	Rs.	106	5	0
Value of loss incurred by tenant	Rs.	13[illegible]	[illegible]	0

(iii) Under the *Koru* system of the third type (*c*) when no manure is supplied by the landlord:—

Value of net income to landlord	...	Rs.	114	5	0
Value of loss incurred by tenant	...	„	141	6	0

(b) *Under grain-Makta system:*

Net income to landlord		„	43	4	0
Net loss incurred by tenant	...	„	70	5	0

(c) *Under cash-rent system* :

Net income to landlord		„	97	0	0
Net loss incurred by tenant	...	„	124	1	

On Wet Lands

(a) *Under the Koru system* :—

(i) Net incomes of landlord and tenant under the *Koru* of the first type :—

Income of landlord	...	Rs.	35	8	0
Net loss to tenant	...	„	48	10	0

(ii) Net incomes of landlord and tenant under the *Koru* of the second type :—

Income of landlord	...	Rs.	45	2	0
Net loss to tenant	...	„	58	4	0

(iii) Net incomes of landlord and tenant under the *Koru* of the third type :—

Income of landlord	...	Rs.	41	0	0
Net loss to tenant	...	„	54	2	0

(b) *Under the grain—Makta system* .—

Not prevalent.

(c) *Under cash—rent system* :—

Net income to landlord	...	Rs.	46	11	0
Net loss to tenant	...	„	54	13	0

On Dry Lands

(a) *Under Koru system* :—

(i) Net incomes of landlords and tenants under the *Koru* of the first type :—

Net income to landlords.		Rs.	37	11	0
Net loss to tenant	...	„	3	0	0

(ii) Net incomes of landlords and tenants under the *Koru* of the second type :—

Net incomes to landlord.	Rs.	42	8	0
Net income to tenant ...	,,	7	13	0

(b) Makta rents in grain are not obtained in the village.

(c) *Under the cash-rents system* :—

Net income to landlord ...	Rs.	28	9	0
Net income to tenant ...	,,	6	2	0

It may be seen from a scrutiny of the above estimates, that under no existing system of lease and level of rents payable to the landlord, the tenant is benefited. It is only with a view to eke out one's livelihood through employment of their own labour, a good number are taking lands on lease but not so much with the motive of making net profits out of farming of rented-lands. If some tenants of average means could make a little gain on farming of rented-lands, they could possibly do so by saving charges of services rendered by their own cattle, implements and the labour of some of the members of their family as well as farm yard manure, if they are not taken into account according to the principles of the business cost accounting methods in the expenses of cultivation except those where payments have to be made which actually go to benefit others (other than the farm establishment and the family of the tenant farmer) such as outsiders and third parties. Besides, the tenant may have his own lands apart from the rented—lands and may raise vegetables or subsidiary crops, breed livestock and sell milk products or hiefers or even take to cart-driving on hire and cooly work for others in order to strive to make both ends meet in his struggle for existence on the earth.

GLOSSARY

Abwarbs	:	Customary exactions by the zamindars from their tenants in kind.
Asara-Bil-Maktha	:	A variant of fixed-rents system in kind.
Anchand system	:	A variant of share-tenancy where rents are determined by crop appraisement.
Ardhasitikah	:	Half the share in the produce.
Baja	:	A drum.
Batai	:	Share-tenancy.
Bargadar or Bhagchai	}	Share-cropper of Bengal.
Cist	:	Cash rent or cash-tenancy.
Cropwar rents	:	Rents whose rates are assessed according to crops raised.
Danabandi System	:	Payment of rent in kind involving crop appraisement as obtained in Bihar.
Gutta	:	Fixed-rents in kind.
Ghallabaksh	:	A system of crop division under Akbar.
Hari	:	A share-cropper of Sind.
Karanam	:	Kulkarni or village Accountant.
Koulu or Kuthagai	:	Fixed-tenancy system in Andhra or Tamilnad.
Koru	:	Share-tenancy.
Kata basta	:	A standard bag of 166 lbs. in weight.
Kankut	:	A system of payment of rents in kind by appraisement of standing crops as obtained in U.P.
Kist	:	Govt. demand on land.
Makta	:	Fixed-rents in kind usually in grain.
Mankap	:	The system of fixed-rents in grain in Bihar.

Mamool : A customary present or payment or help.

Malik : Owner or landlord.

Metayage : Share-tenancy obtained in France.

Mezzadria : Share-cropping system in Italy.

Mezzadri : A share cropper of Italy.

Metateria : A type of lease obtained in Sicily.

Mulgenidar : An occupany tenant under wargadar in South Kanara.

Nazara : Customary exactions in the estates by the Zamindars in the form of money.

Palu : Produce-sharing system in Andhra and Karnatak.

Putty : 20 Madras measures (kunchams).

Polaj : Land under continuous cultivation.

Paranti : Land occasionally left fallow.

Sangadu : Equal division in all kinds of produce raised.

Samgha : A monastary of buddhist monks.

Sitadhyaksha : A govt. official in ancient India corresponding to the present director of agriculture.

Telladhanyam : Long terms white paddy.

Zabti : Assessment of land revenue by a 'Regulation system' under Akbar.

M. L. D. S. MADRAS LIBRARY